FBIS DAILY REPORT

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GDR-USSR MILITARY EXERCISES CONCLUDE 30 JULY

LD301343 East Berlin ADN International Service in German 1246 GMT 30 Jul 87

[Text] Magdeburg, 30 Jul (ADN) -- Maneuvers ended Thursday in the joint exercises of the Soviet forces in Germany and the GDR's National People's Army (NVA) in the area of Gardelegen, Magdeburg, Templin, Neustreliz, and Wittstock.

On the Magdeburg troop training ground, the "Southerners" successfully defended a sector. By bringing up reserves, the defending motorized infantrymen, supported by tank and artillery units as well as by fighter aircraft and helicopter gunships, succeeded in fighting off the "Northerners" who had broken through and in reestablishing the old positions after a counterattack.

As on previous days, this test for soldiers was observed by generals, officers, and diplomats from 21 CSCE signatory states.

During a meeting with the observers, the leader of the exercise, Lieutenant General Vladimir Ruschenkov, commander of one army of the Group of Soviet Forces in Germany [GSFG], expressed his conviction that they have had an opportunity to get an objective picture of the actions of the troops of the GSFG and the NVA. In so doing they have seen for themselves that the troop exercises are of a defensive nature, that their scale and the tasks to be tackled by the troops are full in line with what had been previously notified. Lieutenant General Ruschenkov spoke in favor of the further development of mutual trust and understanding between the signatory states of the Helsinki Final Act.

This evening there will be a formal farewell for the observers on behalf of the GDR Government and in the name of the minister of defense by Lieutenant General Guenter Leistner, deputy head of the Main staff of the NVA.

'FRIENDSHIP-87' MILITARY MANEUVERS REPORTED

LD301955 Warsaw Television Service in Polish 1730 GMT 30 Jul 87

[Text] [Announcer] Now we have a report from the "Friendship-87" exercises.

[Unidentified correspondent] For the past few days soldiers from the Soviet Army, the National People's Army of the GDR, and the Polish Army have been jointly perfecting their military skills. They can expect several sleepless nights and strenuous days ahead, but it is only thus, in conditions resembling as closely as possible a modern battlefield, that a soldier's skills can be put to an effective test.

The exercises of allied subunits were observed by Army General Florian Siwicki, minister of national defense; Marshal Viktor Kulikov, commander in chief of the Warsaw Pact Joint Armed Forces; and General Stechbarth, chief of the GDR Ground Forces.

CSSR ENVOY ON ABSENCE OF DOCUMENT AT VIENNA TALKS

LD301544 Prague CTK in English 1245 GMT 30 Jul 87

[Text] Geneva July 30 (CTK correspondent) -- Milos Vejvoda, head of the Czechoslovak delegation to the Conference on Disarmament, today regretted that the committee for a general disarmament program has not yet completed the final text of the document.

Speaking on behalf of the socialist countries at a plenary meeting of the conference, he regretted the absence of agreement on the part of the text including such important questions as ban on nuclear weapons tests or averting nuclear war without which general and total disarmament is impossible.

Since the text of the general program should be based on the final document of the first U.S. General Assembly special session on disarmament, Milos Vejvoda criticized countries which strive for a revision of its provisions generally regarded as the basis of international efforts for disarmament.

He confirmed the socialist countries' endeavour for real and general disarmament and recalled the Soviet proposal of January 15 last year envisaging the destruction of nuclear, chemical and other weapons of mass destruction by the end of this century, which is close to the concept of the general disarmament program.

SFRY ENVOY CRITICAL OF DELAYS AT GENEVA TALKS

LD301643 Belgrade TANJUG in English 1253 GMT 30 Jul 87

[Text] Geneva, July 30 (TANJUG) -- The Conference on Disarmament has made marked progress in drafting a convention to ban the possession and manufacture of chemical weapons, but this cannot make up for its falling behind in other key issues, such as nuclear disarmament, said Yugoslavia's permanent representative to the UN office in Geneva Marko Kosin today, addressing this multilateral negotiating forum.

Due to the fact that the (?42nd) regular session of the UN General Assembly will discuss questions of disarmament and security and set the date of the Assembly's third special session on disarmament, the Geneva Conference on Disarmament should concentrate on the priorities which could initiate an international action and engage all potentials, Kosin stressed.

He added that the Disarmament Conference should above all negotiate, but also stimulate negotiations. "Every opportunity should be used for discussing substantive issues instead of waiting for [word indistinct] to be resolved elsewhere," said the Yugoslav representative.

TRADE EXCHANGE AGREEMENT SIGNED WITH EGYPT

AU301238 Tirana ATA in English 0915 GMT 30 Jul 87

[Text] Tirana, July 30 (ATA) -- In the context of the trade agreement between the Government of the People's Socialist Republic of Albania and the Government of the Arab Republic of Egypt, the agreement on the goods exchanges between the Ministry of Foreign Trade of the PSR of Albania and the Ministry of the Economy and Foreign Trade of the AR of Egypt for 1987-1988 period was signed in Tirana on July 29.

For the Albanian side the agreement was signed by the vice minister of foreign trade, Pajtim Ajazi, and for the Egyptian side by the first vice minister of the Ministry of Economy and Foreign Trade, 'Adel Elgarhi [spelling as received].

Attending the signing ceremony were the minister of finances, Andrea Nako; the head of department at the Ministry of Foreign Affairs, Izedin Hajdini, and the members of both delegations. Attending was also the ambassador extraordinary and plenipotentiary of the Arab Republic of Egypt to the PSR of Albania 'Umar Yusuf Hindi.

According to the agreement, our country will export in Egypt tobacco, steel pig iron, paper for newspaper, tomato sauce, etc., and will import cotton, phosphate ore, tyres, steel tubes, oil, coke, etc.

Over its staying our country [as received], the delegation was received by the minister of foreign trade, Shane Korbeci, with whom it exchanged views on the further development of trade between the two countries.

MOZAMBIQUE PRESIDENT PAYS OFFICIAL VISIT

Greeted by Zhivkov

AU301812 Sofia Domestic Service in Bulgarian 1730 GMT 30 Jul 87

[Text] At the invitation of Todor Zhivkov, general secretary of the BCP Central Committee and State Council chairman, Joaquim Chissano, chairman of the Frelimo [Mozambique Liberation Front] Party and president of Mozambique, arrived in Bulgaria today.

At precisely 1700 the special aircraft of the distinguished guest landed at Sofia Airport, which was decorated with Bulgarian and Mozambican flags. Comrade Todor Zhivkov cordially greeted the leader of the Mozambican people. The national anthems of the two countries were played. Comrade Joaquim Chissano, accompanied by Comrade Todor Zhivkov, reviewed the honor guard. Afterward, the members of the party and state leadership were introduced to Comrade Chissano. The following leaders were at the airport: Comrades Georgi Atanasov, Milko Balev, Petur Mladenov, Petur Tanchev, Grigor Stoichkov, Dimitur Stoyanov, and Dimitur Stanishev and deputy chairmen of the State Council.

Thousands of Sofia citizens and Mozambican guests who are studying in Sofia cordially greeted the distinguished guest.

After the festive ceremony at the airport the honorary procession headed toward Sofia. At the entrance to the city Stefan Minov, Sofia's mayor, handed Joaquim Chissano Sofia's honorary insignia and symbolic key.

Meets With Zhivkov

AU302006 Sofia Domestic Service in Bulgarian 1930 GMT 30 Jul 87

[Text] Official talks began today between Comrades Todor Zhivkov and Joaquim Chissano at the Boyana residence. In a cordial and friendly atmosphere, they reviewed issues of bilateral cooperation and the international situation.

Comrade Todor Zhivkov briefed the guest on the implementation of the decisions of the 13th BCP Congress related to putting into effect the strategic course on a new qualititative growth in all areas, as well as on the basic principles of the concept on further constructing socialism in Bulgaria.

Joaquim Chissano briefed Comrade Todor Zhivkov on the problems which Frelimo [Mozambique Liberation Front] Party and the working people of Mozambique are solving at present. Despite the difficulties caused by the drought and the counterrevolutionary bands, which are being sent from across the border, the country is successfully implementing the program on the economic restoration of Mozambique, which was adopted in January 1987.

It was noted that there exist possibilities to activate economic cooperation between the two countries and to search for new forms of cooperation.

Comrade Todor Zhivkov expressed the solidarity of the Bulgarian people with the struggle of the people of Mozambique.

Along with the issues of international importance the two leaders also discussed our country's policy in the Balkans and Mozambique's policy within the OAU, the Frontline States, and southern Africa.

After the meeting Comrade Todor Zhivkov gave an official dinner at the Boyana residence in honor of the distinguished guest from Mozambique.

DECLARATION ISSUED ON MASSACRE IN MOZAMBIQUE

AU291822 Sofia BTA in English 1733 GMT 29 Jul 87

["Solidarity With Mozambiquean People" -- BTA headline]

[Text] Sofia, July 29, (BTA) -- The Committee of Solidarity With the Peoples of Asia and Africa has issued a declaration voicing the Bulgarian public's indignation over the indiscriminate killing of peaceful civilians in the Mozambiquean village of Homoine and of the defenseless patients in the local hospital, over the looting and devastation committed by the bandit groups armed and supported by the South African racists.

"Condemning most categorically the perpetrators of this outrage and their aiders and abettors, we call on the international community to unite its efforts in the struggle against racism and apartheid, for an unconditional end to the destabilizing actions by the South African racists and their hirelings againt states neighboring on the Republic of South Africa," the declaration says.

ZHIVKOV RECEIVES FRG AMBASSADOR'S CREDENTIALS

AU301354 Sofia BTA in English 1241 GMT 30 Jul 87

["Bulgaro-West German Cooperation" -- BTA headline]

[Text] Sofia, July 30 (BTA) -- The state of relations between Bulgaria and the FRG is very good at present, said State Council President Todor Zhivkov receiving today the letters of credence of the newly appointed ambassador of the FRG to this country, Mr Karl Walter Lewalter.

Mr Todor Zhivkov pointed out that his recent official visit to the FRG had upgraded Bulgaro-West German relations to a new stage, a stage of active political contacts, of ever more scopeful and efficient trade, economic, scientific, technological and cultural cooperation.

He assessed bilateral relations as a contribution to the maintenance of the political dialogue, to a return to the detente policy. They are an example of the opportunities opened to two countries of different social systems which share the readiness and the desire to help improve the situation in Europe and the world at large, Mr Todor Zhivkov said.

Agreeing with this assessment, the FRG ambassador observed that the mutual respect and the willingness to serve the cause of peace have made possible one such development.

He emphasized that the FRG is an important partner of Bulgaria and that further joint work is needed for building on the successes achieved in economic relations.

FIRST HALF '87 PLAN FULFILLMENT REPORTED

AU291845 Sofia RABOTNICHESKO DELO in Bulgarian 25 Jul 87 pp 1,2

["A High Degree of Organization and Discipline Is Necessary. Announcement by the Central Statistical Administration on the Implementation of the State Plan on the Country's Scientific-Technical and Socioeconomic Development During the First Half of 1987"]

[Text] During the first half of 1987 the efforts of the country's labor collectives were concentrated on implementing the 13th BCP Congress strategic line on scientific-technical progress and a new improvement in quality in the economy and other spheres of social life. The economic development took place under the conditions of setting up new managing and organizational structures and the general application of the principles of self-management and our code on economic activity.

In comparison with the first half of 1986 the social productivity of labor in the nonagrarian organizations increased 3.8 percent, net production -- 4.6 percent, and overall profit -- 6.7 percent. Prime costs per 100 leva of production were reduced 0.8 percent, while material costs, excluding amortization -- 1.4 percent. The production of the nonagrarian organizations was 3.8 percent higher than in the first half of 1986.

Foreign economic relations and the country's participation in the international division of labor continued to develop.

Cooperation with the USSR and the other socialist countries strengthened. Foreign trade with the CEMA member states increased 3.5 percent.

Retail trade turnover, including public catering establishments, increased 6 percent in comparison with the first half of 1986. Some 7.2 percent more consumer services for the population were provided.

New technologies and products were developed and introduced during the first half of the year. Some 48 automatic systems for controlling technological processes were introduced, as were 23 industrial manipulators, 48 automatic technological modules, and 353 complex-mechanical and automated technological lines. Many tasks related to the technological system for the comprehensive automation of and use of electronics in transportation were implemented. The technology related to the automation of control and management of inter-okrug heavy truck transportation in the autocombines in Varna, Veliko Turnovo, and the city of Tolbukhin was introduced.

As well as the good results, there were also some difficulties and negative tendencies, which were mainly the result of weaknesses of a subjective nature. A large number of the state and economic organs and organizations proved to be inadequately prepared for work under the new conditions.

The production of some enterprises and trusts was lower than during the first half of 1986. State commissions and contracts for raw material and energy resources, machines, supplies based on shared production, and goods for the domestic market, are not being implemented.

The technological reequipment and renewal of production is not being satisfactorily implemented. Production began on only 96 out of the 368 new and improved products envisaged by the state plan for the first half of the year. The technologies and equipment that were introduced were not sufficiently effective.

Industry [subhead]

The social productivity of labor in the sphere of industry increased 6.3 percent in comparison with the first half of 1986.

The prime costs of production decreased 0.9 percent, while overall profit increased 8.8 percent. The industrial enterprises produced 21.9 billion leva worth of marketable industrial output, which is 3.7 percent more than in the first half of 1986.

In comparison with the first half of 1986, marketable industrial production increased in the individual production complexes as follows:

Production Complex	First Half of 1987 as Percentage of First Half of 1986
Electronics	111.7
Transportation, Agricultural and Construction Equipment	104.7
Investment Machine Building	108.7
Biotechnology and Chemical Industry	102.6
Metallurgy and Mineral Resources	100.7
Agroindustrial	100.3
Forestry and Forest Industry	101.4
Industry for Man	105.2

The largest contribution to industrial growth was made by the strategic areas of technological progress. The "Microprocessing Systems" Economic Trust [ET] produced 31.1 percent more marketable industrial output in comparison with the first half of 1986; the "Disk Memory Devices" ET -- 10.1 percent; the "Complex Automation of Technological Processes" ET -- 11.6 percent; the "Consumer Electronics" ET -- 14.3 percent; the "Farmakhim" ET -- 10.2 percent; the "Agricultural Equipment" ET -- 10.5 percent, and so forth. A significant contribution to industrial growth was made by the "Information and Communication Systems" ET; The "Elprom" ET; the "Rubber Products" ET; the "Engine Building" ET; the "Foundry" ET; and the "Consumer Machine Building" ET. The "Secondary Raw Materials" ET also contributed to industrial growth.

The "Verila" ET; "Welding and Plasma Technologies" Economic Combine; "Valentina" ET; "Poultry-Raising" ET; "Television and Radio Services" ET; and others did not fulfill their 6-month plan for marketable industrial output.

In comparison with the first half of 1986, industrial production in almost all okrugs increased, as follows:

Okrugs	First Half of 1987 as Percentage of First Half of 1986
Sofia City	103.9
Blagoevgrad	108.8
Burgas	103.9
Varna	91.2
Veliko Turnovo	101.0

Vidin	103.2
Vratsa	105.2
Gabrov	102.3
Kurdzhali	105.3
Kyustendi	103.7
Lovech	105.2
Mikhaylovgrad	98.0
Pazardzhik	103.6
Pernik	107.8
Pleven	98.8
Plovdiv	105.7
Razgrad	107.0
Ruse	104.3
Silistra	104.5
Sliven	102.6
Smolyan	103.9
Sofia	105.1
Stara Zagora	108.5
Tolbukhin City	107.0
Turgovishte	102.8
Khaskovo	101.4
Shumen	103.5
Yambol	99.6

The output of many industrial products of special importance for our economic development and satisfying the population's needs, such as electricity, reached 21,888 million kilowatt-hours, or 3.9 percent more than in the first half of 1986; coal -- 19,013,000 metric tons or 10.9 percent more than in the first half of 1986; thermal energy -- 14,376,000 gigacalories or 11.3 percent more than in the first half of 1986; and briquettes 00 784,000 metric tons or 4.8 percent more than in the first half of 1986.

The production of basic products in the individual sectors was as follows:

"Electronics" Sector	Measure	First Half of 1987	First Half of 1987 as Percentage of First Half of 1986
Teleprocessing Systems	thousands of leva	29,518	109.2
Disk Subsystems	units	1,228	115.2
"Crosspoint" Automatic Telephone Exchanges	thousands of lines	65	103.2
Processing Centers	units	239	213.4
Digitally-Programmed Lathes	units	272	134.7
Automatic Technological Modules for Mechanical Processing	units	118	114.6
Workplaces for Semi-Automatic Installation of Press Plates	units	114	186.9
Complete Electric Drive Units, With High Power Locked-Rotor Torque Electric Starters	units	22,126	104.0

The output in the sector is being renewed at the same time as it is being significantly expanded. It produces new systems for automatic programming; data-preparing systems; matrix processors; a new type of lathe and processing center; new brands of metal cutting machines with digitally-programmed devices; a new range of industrial robots and industrial manipulators; and so forth.

The 6-month plan for automatic work places; disk subsystems; digitally-programmed lathes; digitally-programmed grinders; and so forth, was not fulfilled.

"Transportation, Agricultural, and Construction Equipment" Sector	Measure	First Half of 1987	First Half of 1987 as Percentage of First Half of 1986
Electric Cars	units	25,306	98.2
Motor Cars	units	18,131	96.8
Trucks	units	3,456	105.3
Articulated Buses	units	159	152.9
Vessels	units	13	100.0
Diesel Engines	units	23,918	111.1
Cranes	units	595	130.8
Sowing Machines	units	322	217.6
Power Devices for Grain and Bean Croppers	units	1,771	106.5
Sprinkler Devices and Installations	units	1,393	86.0
Combines	units	13,369	227.0

The production of combines, sowing machines, cranes, and articulated buses significantly increased. The production of cable electric telphers and of the new high-output KIR-1-5M silage combines was mastered.

Some products were produced in smaller quantities than during the first half of 1986. The Debelets "Construction and Road Equipment" ET did not fulfill the state commission for loading machines. The state plan for this year is not being implemented at a regular rate in all areas related to the production of freight wagons, sowing machines, diesel engines, installations, power devices for grain and bean croppers, and so forth.

"Investment Machine Building" Sector	Measure	First Half of 1987	First Half of 1987 as Percentage of First Half of 1986
Induction Engines	thousands	819	120.4
Power Transformers	units	4,506	105.1

Some 92,000 generators and starters with increased power and electronic controllers have been produced for cars of the "VAZ" type.

"Biotechnology and Chemical Industry" Sector	Measure	First Half of 1987	First Half of 1987 as Percentage of First Half of 1986
Calcinated Soda	thousand metric tons	507	92.7
Nitric Fertilizers (in terms of 100 percent nitrogen)	thousand metric tons	466	99.2
Artificial Fibers and Silks	metric tons	22,456	113.5

Car Tires	thousand units	514	123.6
Chemical Fibers and Yarns	thousand metric tons	53	107.3
Polyvinyl-Chloride Pipes	thousand metric tons	17	99.3

Innovation in the sector's output took the form of the production of glass-fortified thermoplastics (polypropylene, saturated polyesters), stabilized polyethylene foil, and alkyd oil paints. The production of tylosin-tartar, tubocine [tubotsin], flavomycin, [biovit — translation not known], and types of prepackaged drugs was mastered.

The state commission for plastics was not fulfilled by the Burgas "Neftokhim" ET, and the Vidin "Rubber Products" ET did not fulfill its commission for artificial fibers and silks. The annual state plan for the production of calcinated soda, nitric fertilizers, pliable insulating foil, polyvinyl-chloride pipes, and so forth, was not implemented at a regular rate.

"Metallurgy and Mineral Resources" Complex	Measure	First Half of 1987	First Half of 1987 as Percentage of First Half of 1986
Cast Iron for Processing	thousand metric tons	831	100.3
Steel	thousand metric tons	1,559	104.8
Rolled Ferrous Metals	thousand metric tons	1,639	97.4
Metallurgic Dry Charred Coal	thousand metric tons	523	108.2
Rolled Iron Articles	thousand metric tons	450	97.7
Steel Cables	metric tons	6,898	103.5

Production of wire made of high-quality construction steel, steel cables, and ferromolybdenum with enhanced purity, improved. The metallurgic plants did not fulfill the state commission for the production of steel pipes and rolled iron articles. The plan for the production of galvanized and tin-coated sheet steel, wire made of high-quality carbon and alloyed steel, steel cables, and so forth was not fulfilled.

"Timber Industry" Complex	Measure	First Half of 1987	First Half of 1987 as Percentage of First Half of 1986
Softwood Materials	thousand cubic meters	452	95.5
Hardwood Materials	thousand cubic meters	1,018	94.0
Particle Board and Other Wood Boards	thousand square meters	10,704	98.1
Cellulose	thousand metric tons	73	109.8
Paper	million square meters	1,406	101.7

The "Cellulose and Paper" ET did not fulfill the state commission for the supply of natron paper, thin wrapping paper, and corrogated cardboard.

"Industry for Man" Sector	Measure	First Half of 1987	First Half of 1987 as Percentage of First Half of 1986
Furniture	million leva	275	103.4
Cotton and Cotton-type Fabrics (finished)	million meters	194	100.9
Wool and Wool-type Fabrics (finished)	million meters	20	96.4
Silk and Silk-type Fabrics (finished)	million meters	18	99.6
Knitwear Industry Products	million units	68	103.8
Tailored Goods	million leva	403	106.8
Footwear (excluding rubber-made)	million pairs	16	105.1
Flat Glass	thousand square meter	11,042	98.2
Automatic Washers	thousand units	83	105.9

The production of many new goods was mastered: a new modification to color television sets, coffee grinders, plate [platkovi] heating stoves, bimetal-bottom kitchenwear, "Predima" yarn, and printed fabrics for polyester-silk clothes.

Overall production of the "Industry for Man" sector was higher than in the first half of 1986. However, the output of some economic trusts was lower than in the first half of last year.

Agro-Industrial Complex [subhead]

A considerable number of agricultural enterprises distinguished themselves by energetic work. They devoted great efforts to the following activities: sowing spring crops within short time frames because of the delay caused by low temperatures; application of chemical fertilizers; application of chemical substances to combat plant diseases and pests; overcoming the results of numerous crops having been frozen during the winter months. As a result of all this, despite the aforementioned delay, larger plots containing corn and sunflower were sown compared with 1986. However, the plots sown with tobacco, soya, sugar beet, and fresh tomatoes and peppers are smaller than in 1986. The envisaged quantities of early vegetables were not produced.

Agricultural crops developed in a relatively satisfactory manner during the spring season, despite a certain delay. The excessive heat during the month of June, however, had a negative effect on the autumn and spring crops.

The necessary labor organization was not established in numerous agro-industrial complexes and enterprises, the repair of agricultural equipment and of irrigation equipment was delayed, and shortcomings were allowed to occur in plant protection work.

In the field of animal husbandry agricultural organizations focused their main attention on ensuring production output and on overcoming certain negative trends in the reproduction of herds which were noticed in regard to certain animals.

Total output in the animal husbandry sector is 1.5 percent less than during the same period of 1986. Milk production (all varieties of milk in their natural state) is only 0.4 percent higher than in 1986. Cow milk production is 1.6 percent higher, sheep milk production is 6.9 percent lower than in the same period of 1986. Egg production is 2.4 percent lower than during the same period of 1986.

The number of livestock in agricultural organizations and enterprises on 1 July 1987 is as follows:

	1 July 1987 (in thousands)	1 July 1987 Head count as Percentage of 1 July 1986
Cattle,	1,356	97.1
Including Cows	476	98.5
Pigs	2,923	96.5
Sheep	6,667	93.5
Poultry	30,227	103.0

The head count of cattle today is lower than on 1 July 1986 in all okrugs, with the exception of Pernik Okrug, while the head count of cows considerably increased in the following okrugs: Burgas, Vratsa, Gabrovo, Lovech, Mikhaylovgrad, Razgrad, Ruse, and Silistra. The head count of pigs is lower in most okrugs. In Shumen, however, they increased by 23.6 percent, while in Vratsa, Varna, Gabrovo, Plovdiv, and Turgovishte Okrugs a 3-4 prcent increase was registered.

In the agricultural organizations and enterprises of most okrugs the head count of basic and single-farrowing mother sows has decreased.

The sheep head count has generally decreased in most okrugs. The head count of sheep in typical sheep-breeding okrugs such as Yambol, Burgas, Tolbukhin, and ruse has decreased 12-15 percent.

Not only are the excessively long winter and the shortage of certain varieties of fodder responsible for the decrease in livestock; subjective factors also play a role in this regard. The attention of leaders and specialists to livestock breeding has decreased in numerous enterprises, the problem of a full and high quality harvest of fodder is underestimated, and considerable organizational shortcomings are allowed to occur -- work discipline has deteriorated.

It is necessary for the managements of agricultural organizations and enterprises to adopt urgent measures to overcome the negative trends in the public livestock breeding sector.

Cattle and poultry purchased for meat and milk production during the 6-month period of 1987 are at the level of the same period of 1986.

The production of basic foodstuffs by food industry enterprises is characterized by the following data:

	Measure	First Half of 1987	First Half of 1987 as Percentage of First Half of 1986
Meat	thousand metric tons	246.2	99.6
Meat Products	thousand metric tons	60.3	102.1
Milk Fats	thousand metric tons	13.9	105.0
Cheese	thousand metric tons	62.6	95.4
Yellow Cheese	thousand metric tons	17.8	101.4
Edible Vegetable Oils (except soya)	thousand metric tons	83.3	109.2
Sugar Products	thousand metric tons	60.9	103.1
Cooked and Semi-cooked Foodstuffs	thousand metric tons	40.2	93.3
Baby Food	thousand metric tons	12.2	105.6
Canned Vegetables	thousand metric tons	52.5	104.4
Canned Fruit	thousand metric tons	89.4	88.8
Soft Drinks	thousand metric tons	292.3	105.7
Combined Fodder	thousand metric tons	1,934.5	100.6

The output of this branch includes new varieties of goods. The state plan for the 6 months of 1987, however, remained unfulfilled in the case of poultry meat production, canned fish, and canned vegetables and fruit.

Capital Investments, Construction, and Building Industry [subhead]

As for the further construction and improvement of the material-technical base of the national economy during the first 6 months of the year, a total of 3.1 billion leva in capital investments was used. Nearly one-quarter was spent on the construction of structure-determining projects scheduled to be commissioned in 1987.

The majority of capital investments is devoted to branches of material production -- mainly to the innovation, modernization, and renovation of plants and for the introduction of modern technological methods. The material-production base of the machine building industry, the chemical industry, and the poor supply industry continued to develop on a priority basis, which ensures the further improvement of branch structure in the public production sector.

The building and assembly organizations accomplished with their own efforts construction work worth 2.2 billion leva. Compared with the same period of 1986, the construction works accomplished increased by 10 percent. However, the construction of projects scheduled for commissioning is behind schedule. Basic funds worth a total of 1.8 billion leva have been introduced in our national economy. However, the basic funds introduced represent only 21.1 percent of those envisaged for the year.

A number of projects scheduled to be commissioned by the end of June, however, were not completed. They are the following: the flexible automated production systems of the Sofia metal cutting machine plant; the ring rolling section of the chemical machine building plant in Khaskovo; the plant for printing plates in Ruse; the reconstructed and modernized section of the ammonia plant in the Dimitrovgrad economic chemical combine; the boot tree plant in Purvomay; the brewery in Stara Zagora; the workshop for circular rings in the Burgas plant for industrial-assembly bars.

A total of 15,203 housing units were commissioned and handed over to the population by the end of June 1987, which represents 4,642 units more than in the same period of 1986.

The enterprises of the construction indutry system produced during the first half of 1987 a total commodity output worth 704 million leva, or 0.6 percent more than during the same period of 1986.

The output of basic goods is as follows:

	Measure	First Half of 1987	First Half of 1987 as Percentage of the First Half of 1986
Cement	thousand metric tons	2,732	100.2
Bricks	million units	505	96.5
Tiles and Ridge-tiles	thousand units	24,683	101.2
Precast reinforced concrete	thousand cubic meters	1,273	99.7
Extruded Panels	thousand square meters	167	112.8

Transport and Communications [subhead]

The economic organizations of the general transport sector transported a total f 9.2 million metric tons, or 5.1 percent more freight based on contract than that envisaged. The volume of transported goods is at the level of the same period in 1986. The freight transported on a contract basis in the automobile transport sector for general use is 6.5 percent higher than planned, while railroad transport is 0.7 percent higher than envisaged by the plan.

A series of measures were implemented for the better satisfaction of the transportation needs of the population. During the period under review, 32.4 million passengers more, or an increase of 2.2 percent, were carried as compared to the first half year of 1986. The quality of transportation services, however, is not in accordance with the increased requirements. Passenger transportation schedules were not observed.

The postal network was expanded by an additional nine new post and telegraph offices, six of which have been installed in villages. A total of 62,162 new telephone connections were set up, 50,376 of which are for private use. A total of 118 new teletype connections were installed, and 2 radio relay centers as well as 40 television relay stations were commissioned.

The income obtained from communication services is 6.7 percent higher during the period under review than during the same period of 1986.

Social Development and Services to the Population [subhead]

The average workers' wages of those engaged in non-agricultural organizations increased as compared with the first half of 1986 by 3.6 percent.

During the first half of 1987 the producer enterprises ensured an output of over 250 million leva in commodities as compared with the same period of 1986.

The production of numerous foodstuffs and consumer goods increased, including consumer goods for everyday cultural needs and durable goods. Regardless of this, state orders for the domestic markets regarding the following goods have remained unfulfilled: meat (except poultry) from the Rodopa agro-industrial complex and the Central Cooperative Union; poultry from the "Poultry Breeding" ET; milk fats, cheese, yellow cheese, and baby food from the "Milk Industry" ET; soft drinks from the "Trade" economic enterprise and from the Central Cooperative Union; edible, vegetable oils from the "Vegetable Oils" economic combine. The light industry enterprises provided the market with a sufficient number of baby outfits, children's footwear, sneakers, underwear, and other items. Compared with the same period of 1986 the following basic goods have been delivered to the stock commodity fund:

	First Half of 1987 as a Percentage of the First Half of 1986
Meat -- Without Poultry	101.2
Poultry	99.6
Fish and Fish Products	121.5
Milk	106.0
Cheese	102.6
Yellow Cheese	105.3
Milk Fats	102.1
Edible, Vegetable Fats	97.0
Eggs	115.3
Sugar	100.1
Sugar Products	105.2
Baby Food	112.3
Sterilized Canned Vegetables	115.7
Cooked Fruit	121.6
Soft Drinks	105.7
Cotton and Cotton-type Materials	96.4
Wool and Woolen-type Materials	96.4
Knitwear Clothes	111.5
Knitted Underwear	108.1
Footwear (without slippers)	103.5
Stockings and Panty Hose	100.9
Radios	149.2
Color Television Sets	193.9
Household Refrigerators	93.0
Automatic Washing Machines	112.7
Brown Coal	130.1

The retail trade sector, including the public catering enterprises, have attained a turnover of 7,621,000,000 leva (without concentrated alcoholic beverages). The sale of concentrated alcoholic beverages in the retail trade sector decreased by 116 million leva in comparison with the first half of 1986.

All okrugs achieved an increase in turnover. The largest increase was marked by Burgas Okrug -- 8.7 percent; Sliven Okrug -- 7.8 percent; Turgovishte Okrug -- 7.6 percent; Plovdiv Okrug -- 7.5 percent; and Sofia City -- 7.7 percent.

Regardless of the increased turnover, the supply of goods for the population does not correspond to the measures which have been adopted. Along with the producers, the responsibility for this is shared by the domestic trade organizations, which are still not on the active side in concluding contracts and do not demonstrate sufficient initiative and insistence in securing more, more diversified, and better quality goods.

Consumer services for the population were further developed. Their development in the main areas of services is as follows:

	First Half of 1987 as a Percentage of the First Half of 1986
Metal Cutting Services	116.3
General Services	115.2
Maintenance and Repair of Motor Vehicles	112.3
Construction-Repair Services	110.9
Maintenance and Repair of Elevators	108.4
Tailoring Services	106.8
Maintenance and Repair of Consumer Equipment	105.2
Chemical Cleaning	104.3
Shoe Repair and Leather-Haberdashery Services	102.5
Furniture and Wood Processing Services	96.1
Laundry Services	97.6
Maintenance and Repair of Radio and Televison Sets	93.2

The scope of the consumer services rendered in all okrugs is higher than during the first half of 1986. The largest increase was registered by Lovech Okrug -- 18.5 percent; Tolbukhin Okrug -- 18.0 percent; Varna Okrug -- 15.8 percent; Kurdzhali Okrug -- 15.3 percent; Sliven Okrug -- 14.9 percent; and Vidin Okrug -- 14.2 percent. However, the situation with regard to consumer services does not correspond to the increased requirements. Especially unsatisfactory were the services in small settlements and the cities' suburbs.

The results of the fulfillment of the State Plan on Scientific-Technical and Socioeconomic Development of the Country show an increase in the main indexes in comparison to the first half of 1986. The critical evaluation and the measures adopted by the BCP Central Committee Politburo and the Council of Ministers on 29 May 1987 and by the 14 July expanded meeting of the government require comprehensive and active deeds, initiative, and high organization and discipline in implementing the annual plan.

BCP CC PLENUM FIRST DAY PROCEEDINGS REPORTED

AU301245 Sofia RABOTNICHESKO DELO in Bulgarian 29 Jul 87 p 1

[BTA report: "Plenum of the BCP Central Committee"]

[Text] On 28 July at the Boyana residence a plenum of the BCP Central Committee opened. The agenda includes a discussion of basic principles of the concept of the further development of socialism in the People's Republic of Bulgaria.

Comrade Todor Zhivkov read an introductory speech.

The following comrades took the floor: Ivan Panev, member of the BCP Central Committee and first secretary of the BCP Sofia City Committee; Velin Kharizanov, candidate member of the BCP Central Committee and worker at the "Vladimir Ilich Lenin" Metallurgic Combine in Pernik, Hero of Socialist Labor; Georgi Atanasov, member of the BCP Central Committee Politburo and chairman of the Council of Ministers; Borinka Tsvetkova, candidate member of the BCP Central Committee, and worker at the "Vida" Plant in Vidin, Hero of Socialist Labor; Mincho Semov, candidate member of the BCP Central Committee and rector of Sofia's "Kliment Okhridski" University; Nikolay Zhishev, member of the BCP Central Committee and first secretary of the BCP Burgas Okrug Committee; Petur Tanchev, secretary of the Bulgarian Agrarian National Union; Radoslav Radev, candidate member of the BCP Central Committee and chief editor of RABOTNICHESKO DELO; Andrey Bundzhulov, candidate member of the BCP Central Committee and first secretary of the Dimitrov Konsomol Central Committee; Panteley Zarev, member of the BCP Central Committee and deputy chairman of the Bulgarilan Academy of Sciences; Stoyan Koshulev, member of the BCP Central Committee and chairman of the Executive Committee of the Plovdiv Okrug People's Council; Khristo Neykov, candidate member of the BCP Central Committee and chairman of the Union of Bulgarian Painters; Yordan Yotov, member of the BCP Central Committee Politburo and Central Committee secretary; Lazar Prichkapov, member of the BCP Central Committee and first secretary of the BCP Blagoev Okrug Committee; Ognyan Panov, candidate member of the BCP Central Committee and acting director of the Social Management Institute at the BCP Central Committee; and Nikola Todoriev, member of the BCP Central Committee and chairman of the "Energetics" Association.

In addition to the members and candidate members of the BCP Central Committee, the plenum is being attended by the chairman of the BCP Central Control-Auditing Commission, and by the secretary of the Bulgarian Agrarian National Union.

The BCP Central Comittee plenum is continuing.

NATIONAL ASSEMBLY TO HOLD SESSION 18 AUGUST

AU301701 Sofia BTA in English 1534 GMT 30 Jul 87

[Text] Sofia, July 30 (BTA) -- The State Council of the People's Republic of Bulgaria has called the sixth session of the 9th National Assembly. It will take place on August 18, 1987.

POLICE REPORTEDLY HARASS 'FRIENDS OF USA' GROUP

AU301507 Paris AFP in English 1446 GMT 30 Jul 87

[Text] Prague, July 30 (AFP) -- Police harassed members of the newly-formed Friends of USA Society (SPUSA) after they celebrated the Fourth of July U.S. Independence Day on a boat, a dissident group said here Thursday.

The Committee for the Defense of Unjustly Pursued Persons (VONS) said one of the society's members, Vladimir Kolinek, was detained after the Fourth of July celebrations by police in the central city of Gottwaldov.

Police there reportedly branded the society an "anti-national group" whose members would be "arrested for espionage because they maintain contacts with the U.S. Embassy in Prague."

In another reported incident, police on July 18 broke up a private party of three SPUSA members dining at a restaurant near Gottwaldov and questioned several guests in the restaurant kitchen, the VONS added.

The society, created in June by 43 Czechs, applied for registration at the Interior Ministry but was turned down and is currently appealing the ruling, the VONS said.

COMMUNIQUE ON ZIMBABWEAN TU DELEGATION'S VISIT

LD262215 Prague CTK in English 1648 GMT 26 Jul 87

[Text] Prague July 26 (CTK) -- "A deep concern over the growing threat to international security resulting from the war course of the most reactionary circles of world imperialism" was expressed in a communique issued here today on the visit to Czechoslovakia by a delegation of the Zimbabwe Congress of Trade Unions (ZCTU).

The delegation, led by ZCTU First Vice-President Lovemore Matombo [name as received], visited Czechoslovakia on July 20-25, at the invitation of the Czechoslovak Central Council of Trade Unions.

The communique further called for a halt to the arms race on earth and its spread in outer space. In this connection representatives of the two trade union organizations expressed support for the peace program and peace initiatives of the Soviet Union and the Warsaw Treaty states, including a comprehensive approach to problems of disarmament and concrete measures to be taken in this direction. Both sides pointed out that talks between top representatives of the Soviet Union and the United States provide scope for the improvement of the international situation but stated with regret that by fault of the American side the talks have not brought desirable results.

They also stressed the growing role of the nonaligned countries in solving problems of the world of today and appreciated their contribution to the struggle for peace.

The Zimbabwean and Czechoslovak trade union representatives resolutely condemned the South African racist regime and called for an immediate release of all South African political prisoners and representatives of progressive and patriotic forces.

They expressed support for a speedy implementation of resolutions of the United Nations and other international organizations calling for the liquidation of apartheid, and for strict observance of sanctions imposed by the United Nations.

Both sides expressed solidarity with the just struggle of the Namibian people led by the South West Africa People's Organization and with all progressive forces in Asia and Latin America struggling for full political, national and economic independence.

They also condemned the Israeli policy in the Middle East.

DAILY VIEWS TRADE COOPERATION WITH EEC

AU310921 Bratislava ROLNICKE NOVINY in Slovak 28 Jul 87 p 5

["s"-signed article in the "What Is Being Discussed" column: "Talks in Brussels"]

Talks have been held in Brussels between representatives of Czechoslovakia and the EEC, which consists of 12 European states -- the FRG, Great Britain, France, Italy, the Netherlands, Belgium, Luxembourg, Denmark, Spain, Portugal, Greece, and Ireland -- and which is an important trade partner of ours. Up to 60 percent of our republic's foreign trade turnover is with industrially developed states of this largest integrated area in the capitalist world.

EUROPOLITIQUE, the bulletin of the West European "Twelve," stressed that Czechoslovakia is the first socialist country with which the EEC has decided to begin talks. European Commission's mandate envisages easing quota which the EEC has imposed on some imported Czechoslovak industrial products, and introducing cooperation in the form of a permanent representative for talks on bilateral affairs, which should take the form of a mixed committee.

The CSSR has recently concluded three trade agreements with the EEC which apply to particular branches -- agreements on exports of textiles, metallurgical products, and pork. These agreements constitute the contractual basis and -- as the experts say -- the necessary trade-political opening for Czechoslovak exports to the EEC countries. The new agreement should further expand the scope for Czechoslovak exports and create conditions for regular consultations on all problems that exist in CSSR-EEC trade. During the talks in Brussels the Czechoslovak side stressed, above all, the removal of quantitative restrictions still preventing some of our products, especially consumer goods, from entering the EEC market. These talks, which will continue in November, are seen as the two sides' positive contribution to the process of normalization of relations between the CSSR and the EEC.

BRIEFS

CPCZ OFFICIAL DEPARTS FOR USSR -- Miroslav Zajic, CPCZ Central Committee department head, departed for the USSR on 27 July for a working visit at the invitation of the CPSU Central Committee. He was seen off at Prague Ruzyne Airport by Frantisek Chlad, deputy head of a CPCZ Central Committee department, and Nikolay Nokhrin, councilor of the USSR Embassy in the CSSR. [Summary] [Prague RUDE PRAVO in Czech 28 Jul 87 p 2 AU]

FURTHER REPORTAGE ON VISIT BY MALAYSIAN PREMIER

Closing Talks Held

LD291955 Budapest MTI in English 1430 GMT 29 Jul 87

[Text] Budapest, July 29 (MTI) -- Hungarian-Malaysian plenary closing talks were held in Budapest on Wednesday with Prime Ministers Karoly Grosz of Hungary and Dr Mahathir Mohamed of Malaysia in the chair.

The Hungarian Negotiating group included Ministers Peter Varkonyi of foreign affairs, Laszlo Kapolyi of industry and Laszlo Somogyi of construction and town planning, Tibor Melega, deputy foreign trade minister, Ferenc Bartha, head of the Secretariat of International Economic Relations of the Council of Ministers, and Gyula Baranyi, Hungarian ambassador also accredited to Malaysia.

The Malaysian negotiating delegation included Ministers Samy Vellu of works, Keng Yaik Lim of primary industries, Paduka Rafidah Aziz of trade and industry and Abu Hassan Omar of foreign affairs, Law Hieng Ding, deputy minister of science, technology and environment, and Zainal Abidin bin Mokhtar, Malaysian ambassador also accredited to Hungary.

Assessing achievements in the talks between Hungarian and Malaysian politicians, the prime ministers emphasized that the parties had had useful and cordial exchanges of views on a wide range of bilateral relations. They stressed that they would strive for a comprehensive development of contacts, on the basis of reciprocal advantages and interests. The heads of the negotiating groups reported on concrete possibilities of cooperation revealed in the fields of raw material processing, establishment of joint ventures, transfer of technology and further forms of cooperation. There are opportunities for Hungary to take part in the construction of Malaysian projects financed by the World Bank, and in infrastructural investment projects. The parties pointed out that cooperation should be extended to planning, organization and management.

The parties stressed that the two countries were successfully cooperating in some fields of international trade policy. They agreed that bilateral trade turnover should increase and become more balanced. They attached paramount importance to the Hungarian economic days to take place in Kuala Lumpur next autumn which would provide a favourable opportunity for further talks and the presentation of Hungarian products. The parties agreed that a team of Hungarian businessmen would visit Malaysia to obtain detailed information of the local market.

Appreciating achievements in the talks, Karoly Grosz stated that the visit of the Malaysian prime minister had been successful, and proved that there was an opportunity for cooperation and the extension of relations, on the basis of reciprocal interests. Dr Mahathir Mohamed also spoke with appreciation of his stay in Hungary and the achievements. The favourable experience would encourage Malaysia to further extend relations with Hungary, he said.

The prime minister established that they made a similar approach to some international affairs. The good atmosphere of talks provided an opportunity for a sincere and open dialogue in which the parties also expounded differing views.

After the closing talks Rezso Trautmann, deputy president of the Presidential Council, met the Malaysian prime minister in the parliament building. Present at the meeting were Peter Varkonyi and Abu Hassan Omar.

Later Dr Mahathir Mohamed met Gyorgy Lazar, deputy general secretary of the Hungarian Socialist Workers' Party. The politicians exchanged views on the development of bilateral relations, and the international situation, with regard to Asian security. The meeting was attended by the foreign ministers and the ambassadors of the two countries.

In the afternoon Dr Mahathir Mohamed and his party left Budapest.

Press Communique Issued

AU310923 Budapest NEPSZABADSAG in Hungarian 30 Jul p 3

[MTI-attributed "Communique on the Hungarian-Malaysian Talks" held in Budapest 26-29 July]

[Text] On Wednesday [29 July] a press communique was issued in Budapest on the Hungarian-Malaysian talks.

During his three-day visit to Hungary, Malaysian Prime Minister Dr Mahathir Mohamed held talks with his host, Council Ministers Chairman Karoly Grosz, on two occasions, met Gyorgy Lazar, deputy general secretary of the MSZMP, and Rezso Trautmann, vice-president of the Presidential Council. The premier of the Far East country visited the Ganz-Mavaq factory in Budapest, the New Life Agricultural Cooperative in Sarisap, and, accompanied by his wife, he also accompanied himself with sights of our country. The ministers, experts and business people in the party of the Malaysian prime minister held talks with Hungarian partners.

On Hungary's part, the prime ministerial talks were attended by Peter Varkonyi, minister of foreign affairs, Laszlo Kapolyi, minister of industry, Laszlo Somogyi, minister of construction and urban development, Tibor Melega, deputy minister of foreign trade, Ferenc Bartha, head of the secretariat of the Council of Ministers for International Economic Relations, and Gyula Baranyi, Hungarian ambassador to Malaysia. The Malaysian negotiating group included Samy Vellu, minister of works, Keng Yaik Lim minister of primary industries, Paduka Rafidah Aziz, minister of trade and industry, Abu Hassan Omar, minister of foreign affairs, Law Hieng Ding, deputy minister of science, technology and environment, and Zainal Abidin bin Mokhtar, Malaysian ambassador to Hungary.

Cordial talks were held, in an open atmosphere, on the internal situation of the two countries and plans of economic development. The parties discussed in detail Hungarian-Malaysian relations and possibilities for development. They agreed that the development and expansion of new and so far modest relations is necessary and possible on the basis of mutual advantages and interests.

The parties expressed readiness to develop high-level political contact.

Particular attention was paid to the development of bilateral economic and commercial ties, and a stand was taken for a continued balanced increase of goods exchange, besides establishing industrial cooperation schemes and joint ventures. [paragraph continues]

Hungarian companies will be able to more actively participate in the implementation of Malaysia's economic development schemes, mainly in the fields of the vehicle industry, energetics, medicine production and the processing of raw materials of agricultural origin. The negotiating partners expressed their preparedness to grant companies central support for the introduction of up-to-date forms of cooperation.

The parties to the talks held better acquaintance of the two peoples to be necessary. To this end, they expressed readiness to develop relations in the fields of culture, education and science.

It was stated that the positions of the two countries are identical or similar on a number of vital issues of humankind. The parties stressed their countries' interest in easing international tension, consolidating peace and security in various regions of the world, and creating equal political and economic links between states. They welcomed the Soviet-U.S. arms reduction talks, and expressed the hope they would soon result in concrete disarmament agreements. There was agreement on the important role of small and medium sized countries in the negotiated settlement of international disputes and the promotion of dialogue between countries with different social systems.

Karoly Grosz informed his partner on the international activity of Hungary and efforts at the manysided development of security and cooperation in Europe. He stressed the importance of the new far-reaching foreign policy initiatives of the Soviet Union for the improvement of the international atmosphere and the elimination of local hotbeds of crisis.

The two premiers agreed that Dr Mahathir Mohamed's official visit, his talks with the Hungarian leaders held in a cordial atmosphere, as well as the talks held by the ministers and businessmen in his entourage with their Hungarian counterparts have contributed to a better understanding of each other, to the discovery of possibilities for contacts primarily in the area of economic and industrial cooperation, as well as to the strengthening of the mutual respect and appreciation between the two peoples.

The parties expressed the conviction that the official visit of Dr Mahathir Mohamed will give further momentum to the development of Hungarian-Malaysian relations in all fields of life.

Dr Mahathir Mohamed invited Karoly Grosz for an official visit to Malaysia. Karoly Grosz accepted the invitation with pleasure.

MSZMP'S BARABAS ON IDEOLOGY, PROPAGANDA

AU140601 Budapest TARSADALMI SZEMLE in Hungarian No. 4 87 pp 30-38

[Article by Janos Barabas, deputy director of the MSZMP Central Committee's Agitation and Propaganda Department: "Ideological Struggle and Propaganda Competition"]

[Text] Our citizens' way of thinking is primarily determined by the objective conditions of socialist construction and by our achievements and problems. [paragraph continues]

Second, it is affected by our own activity to create awareness. Thus, the effects on Hungary by information sources that operate beyond our borders can be regarded as secondary. Foreign influences penetrate the existing information gaps and play a decisively complementary role. However, in the current circumstances, the foreign sources of information are increasingly affecting our public opinion. We can group the reasons for this as follows: our domestic development difficulties; the developments in our standard of living; the difficulties encountered by young people in starting their own life and careers; the lack of confidence and prospects that can be noticed among some groups and strata of society; the weaknesses of ideological work; the introduction of new mass media technologies and the respective undiscriminating taste.

Reception of Austrian and Yugoslav television programs is good in a large area of our country, and the introduction of large community television aerial systems and cable television also increases the selection of television programs. The increasing number of videotape recorders and the illegally smuggled and copied videotape cassettes open up the way for the flow of ideas that are in contradiction with our ideological values and standards of entertainment. The impact of foreign sources of information can also be felt as a result of the increasing flow of tourists and more widespread distribution of foreign newspapers and journals in Hungary. Individual possibilities of receiving the mainly entertainment channels broadcast by means of telecommunication satellites are limited. Owing to the post's monopoly of telecommunications in Hungary, reception of satellite programs requires a special license and thus, in this area the reception of professional programs will play the leading role in the future too. There are great expectations in connection with the launching of direct-broadcast satellites and their broadcasting services. Due to the phenomenon of the so-called "overlapping," the selection of television channels will increase considerably in a large area in Hungary within 1 to 3 years by means of a relatively small dish antennae and a decoder that is expected to be easily available. These programs will provide cultural information and entertainment. Thus, from many points of view, a new mass media situation is expected to emerge in Hungary in the near future.

Given the current international ideological and propaganda struggle, it is not surprising that there is a great temptation to adopt prohibiting and restrictive measures in this matter. It is obvious, however, that the domestic mass telecommunications system cannot develop under the comfortable conditions of domestic market safety. It is technically impossible to block the reception of satellite-broadcast programs and it is difficult to limit the spread of these facilities by legal means. It is my conviction that the best way to proceed is to expand and improve the information, service, entertainment, and cultural offerings of the domestic media, accept the competition, and considerably increase the financial and intellectual resources allocated for the development of the means of mass telecommunications in Hungary.

It is necessary to formulate a more widely interpreted communications policy based on the principles of our proven information policy. As a basis for this new policy, we should, of course, maintain the principles of accuracy, completeness, detailed information, authenticity, and party guidance while increasing speed and strengthening our efforts to be effective. In such a communications policy, a greater role should be given to the competition between various interests by increasing the opportunities for local forces, local community initiatives, and information interests to assert themselves. By allocating larger financial and intellectual resources, we should be able to create attractive cultural and entertainment models, offers, and values. The national and local services of the information service also increase our chances in the information competition. [paragraph continues]

And even if, viewed from a historical perspective, there can still be no doubt about the result of this competiton, today we cannot deceive ourselves into thinking that our chances are constantly and automatically equal in this area. We will not be able to overcome our technological backwardness in the foreseeable future, and this is not due merely to a lack of decision or will. However, we must also bear in mind that glittering commercial "cultural products" wrapped in technical bravura will always have a greater appeal for certain -- hopefully decreasing -- strata of society than programs requiring intellectual effort, discrimination, and a fuller life and way of thinking, programs that might contain less technical spectacle.

The new challenges and understanding of the complex competition situation require at least a general review of the relationship between international relations and confronting ideologies and some of the experiences of the current propaganda struggle.

International Relations and the Ideological Struggle [subhead]

There have been many changes lately both in international relations and in the activity of socialist construction, changes that have had an effect on the ideological situation and the development of propaganda conditions.

The international atmosphere of the last decade was characterized by an alternation of detente and tension. The efforts of the extremist imperialist circles to achieve superiority of force and unilateral advantages led to an increase in the arms race. Thus, in the eighties, although the major achievements of detente have been preserved, elements of tension have predominated. One of the important characteristics of the international situation is that the mutual trust between countries having different social orders and between alliance systems, a trust that is inevitable for agreements on the basis of equal rights and for efficient cooperation, was sometimes at its nadir or disappeared totally. The lack of or the continuing low level of this trust has had a direct effect on the development of ideological conditions.

The conditions of the class struggle under way in the capitalist world are becoming increasingly complex. In a considerable number of capitalist countries, the advance of conservative political forces coupled with the fashionable advance of neoliberal economic theories and neoconservative ideological efforts. In certain developed capitalist countries, the renaissance of the neoconservative ideology has been accompanied by the strengthening of irrationalism, various myths, and of some sort of anti-ideological process. There were, and are, countries where the situation forced the governing social democracy to adopt neoliberal economic solutions.

The goal of following the above mentioned ideological patterns is to guarantee that, under the conditions of general crisis of capitalism, the necessary renewal and reforms are taking place by all means within the framework of capitalism. The advance of the neoconservative wave also shows that the content and form of various ideological experiments are variable. The anti-ideological phenomenon is sometimes replaced by some sort of aggressive "over-ideological" process. The trend of Marxist-type leftism is suppressed by neoconservatism. The former converging theories are replaced by interpretations of socialism that inspire divergence. According to these interpretations, socialism is regarded as a social order that is unsuitable for solving the problems facing mankind, an order in which difficulties, contradictions, and crisis-phenomena -- and even crises in some places -- appear as necessary attributes, thus proving the unviability of this social system.

In addition to the more complex internal relations, the communist and workers parties in capitalist countries are facing more difficult conditions as a result of the fact that, due to the various internal problems and the necessary differences between ideals and reality, the countries of socialist construction are providing less attractive examples. Some of these parties have tried to find a solution to this problem by increasingly distancing themselves from the socialist countries. There is a considerable fluctuation in the efforts for unity within the communist movement while simultaneously there is an increase in the demand for greater unity of action of progressive forces from an ideological point of view. The activity of the communist and workers parties reflects -- and often promotes -- the relative decrease in the influence of Marxism-Leninism.

As regards the prospects of the efforts for unity, the 27th CPSU Congress stressed quite new approaches to the problem. Recognizing that avoiding a nuclear war precedes all other tasks facing the international class struggle and that, the anti-war mass movements are also being mentioned in addition to and in interdependence with the revolutionary forces of our age signal an ideological change of considerable importance in the interpretation of world processes. The CPSU regards itself an element of equal rank of the International Communist Movement, albeit an element that bears great responsibility, and stresses that no party can be the sole owner of truth. In addition, the CPSU stresses the need for unity created in variety, and all this reflect a renewing way of thinking.

After exhausting the development resources of an extensive economy and consolidating their political structure, that the socialist countries have reached a more complex and contradictory stage of development has also had a considerable effect on the development of ideological conditions. Their increased interdependence and their efforts aimed at discovering and exploiting their potential for growth have become characteristic of the life of the socialist countries. The recognition by the majority of European socialist countries that their is also considerable potential in their particular national possibilities is not in a principled contradiction with all this. This objective process contributes to the variety of different ways of socialist development. Under such conditions, there are increased possibilities for some sort of distrust or even of national overconfidence and manifestations of ostentatious behavior; coordinating the sometimes differing national interests appearing on the basis of fundamental common interests is still rather difficult. The message of the 27th CPSU Congress provides new prospects in this respect. Stressing the importance of cooperation between socialist countries, stressing the importance of a genuine exchange of experience and cooperation on the basis of equal rights, and stressing that the common and separate interests of socialism are the main standard in coordinating sometimes different national interests, all these things provide a theoretical and practical answer to the above difficult questions.

Marxism-Leninism is playing a leading role in the intellectual life and institutions of society in the European socialist countries. However, today we already consider it natural to recognize that eroding and destructive forces can also develop in the path of socialist construction itself. These forces sometimes let their voices be heard at the various forums of public life. Therefore, these views are not only the "remnants" of the bourgeois past or the products of "the enemy's hands", but non-socialist objects of consciousness [Tudattartalmak], or they are contrary to socialist interests that emerge mostly from the soil of socialist societies in a transitional period. However, it is also clear that foreign bourgeois ideological influence is striving to preserve the old views or even to encourage or strengthen the incorrect views emerging from its own -- temporary -- conditions.

At a time when military means of international class struggle cannot be used, the importance of political, economic, and ideological means of combat is increasing. This increases the efforts of various social systems to "export" their own ideology. Under current conditions, foreign political activity and ideological struggle -- and one of its spheres: propaganda -- are closely related. This is a product of an age in which military force cannot be used as a continuation of policy in a realistic way while disregarding the danger of the complete annihilation of mankind. Thus, to emphasize the foreign policy, the role played by propaganda, and subsequenty by the ideological struggle has increased. When elements of tension ruled international relations we saw the extent to which confidence is reduced if ideological struggle or propaganda war invade the political relations between states and also the area of diplomacy. Therefore, the conclusion of the joint communique adopted at the Geneva summit meeting between Mikhail Gorbachev and Ronald Reagan stating it is advisable to separate ideological debate issues from normal interstate diplomatic relations, is fully in harmony with our intentions and practice.

The new type of international relations creates a wider area of contact. Economic cooperation, trade relations, the increasing number of cooperation projects, efforts directed toward a more liberal flow of operational capital, expanding tourism, and the cultural, scientific, and human relations inevitably widen the circle of contacts. We want to definitely develop these contacts by all means on the basis of mutual advantage, therefore, we have no intention of any kind to block these contacts. We must be aware that, through these contacts, there will be an increase in both our ideological enemies' and our own possibilities to exert influence. Thus, the overall peaceful cooperation between countries with different social orders is increasingly becoming the stage for the international ideological struggle. Thus, we have to regard these relations as a joint area of struggle and cooperation.

Propaganda Goals [subhead]

The extremist imperialist circles unfurled a powerful ideological and propaganda offensive in the second half of the seventies. The slogans of the propaganda campaign started as part of this offensive change frequently. The issue of human rights or the myth of alleged "Soviet superiority", or the socialist countries contacts with international terrorism, often the "expansionist policy" of the Soviet Union, or sometimes the issues of "minority oppression" alternate as the central issues of one campaign or another. The essence, however, is identical every time: to claim that socialism is in a crisis from every point of view, and to discredit and slander socialism.

The strategy of the imperialist circles' ideological struggle is unchanged. By means of propaganda wars, incitement, and subversion they want to disrupt and strangle socialism and block it from spreading. In a slightly simplified way we can describe the types of general efforts aimed at the unchanged goals that characterize this propaganda offensive.

By using and amplifying existing social tensions these efforts try to weaken the social basis of the socialist social order.

Imperialist circles encourage every view and grouping that confronts the position of communist parties and socialist states, and provide external support for these views and groups.

They amplify and foment nationalist feelings and emotions and in this way, too, they want to turn the allied socialist countries against each other and against the Soviet Union.

These circles try to implement the above strategic goal with high-level tactical flexibility and by developing methods and means, as well as by varying their approaches. The variation is obvious, for example, in the differing intensity with which different capitalist countries participate in the propaganda struggle. U.S. extremist circles, as the champion riders of the ideological struggle, follow comprehensive goals. In terms of their main ideological goals, their allies stand on a similar platform but do not uniformly copy the United States in the content, tone, and style of their propaganda. The key figures of the current administration in Washington accept a leading role in various propaganda campaigns. The basic tone of the ideological offensive was set by President Ronald Reagan in his speech in Parliament in London in the fall of 1981. Following this speech, governmental, legislative, and even social initiatives emerged that, with the help of increasing budgetary and other resources, served aggressive propaganda on U.S. ideals and values, as well as political goals. These special programs have since been largely exhausted with the barely concealed reluctance on the part of the U.S. allies definitely contributing to this state of affairs.

A lasting tactical element is the varied way these imperialist circles treat the socialist countries. We have to consider this as natural because, as we have already mentioned, variety is also followed by more marked differences. Consequently, in our propaganda struggle and positions we should reject not the differentiation between our countries in itself -- as it would be in vain to deny the existence of these differences -- but rather the efforts aimed at turning us against each other, estranging us, and breaking up our system of alliance.

News Means of Information [Subhead]

The "telecommunications revolution" is an organic and characteristic part of the scientific and technological revolution of our age. Thus, the infrastructure of the flow of information is strongly developing in favor of the propaganda offensive. Therefore, in order to lay the foundations of a modern concept of the international propaganda struggle, it is advisable to review some characteristic features of this development.

The number of research bases dealing with information and telecommunications technology and the industrial potential related to information sciences are increasing at a fast pace primarily in the developed capitalist countries. There is development both of means capable of storing and processing information, and of technologies capable of transmitting this information. Huge data bases have emerged as a result of linking various computers. High-performance computer-base word-processing systems have been introduced in press agencies and editorial rooms, systems that can also be used to prepare work for printing. One can see the fading of the limits of the various pieces of equipment that serve different purposes and which are also used in mass media information, such as the link-up between photo and film technology innovations and television and video innovations, from complex video cameras to terminals and copying installations that are also capable of storing and transmitting images. A global telephone network is gaining ground, and experiments are underway on also introducing digital speech processing and transmission.

In the area of new information technology, the greatest number of innovations are perhaps connected with television. The changes cover recording technology, from miniature cameras to new types of recorders, from changes in television studio equipment to new methods of image mixing.

The so-called teletext systems are spreading quickly, and they use television channels to convey additional information. Video text services have been created which are interactive systems that make use of telephone lines and which are available to a large section of the population. Satellite relay stations, relay stations. and program distribution stations connected to television program transmission have increased in number in the past 5 years. The above-mentioned new generation of satellites capable of broadcasting television programs which a large population of viewers can receive directly (and individually too), are in the works and are expected to spread in the coming years. The broad-scale use of cable television networks shows the development of television broadcasting systems. Due to the perfecting and introduction of these cable networks, viewers can receive an increasing number of television channels, and a cable television network also enables the preparation of an independent, local telvision program. Paid cable television services have emerged. Videorecorders have become widespread and the production and marketing of videocassettes has become a flourishing business.

This rather sketchy review can provide only a fragmentary picture of the direction of this tremendous development. However, this description is enough to explain the interest of the theoreticians of imperialist monopolistic capital in the extent of the challenge this large-scale development of information represents for the social-economic-political system of the socialist countries. In the fall of 1985, for example, a colloquium was organized in the FRG entitled "The Soviet Union and The Computer Society." As transpired from various publications, the participants in this colloquium reached the conclusion that, in spite of their achievements that are worthy of attention, the European socialist countries, for reasons deriving from their own system, are increasingly lagging behind the West in the use of computer technology.

The new book written by Professor Zbigniew Brzezinski, former National Security advisor to former U.S. President Carter, entitled "Game Plan -- a Geostrategic Framework for the Conduct of the U.S.-Soviet Context," aroused great international interest. Brzezinski's book is, no doubt, a comprehensive attempt at reformulating the strategy of the U.S. -- and thus of international imperialism. An important part of this strategy is to bring about essential internal changes in the Soviet Union and the European socialist countries. This is not a surprising theory, because 25 years ago the author had already formulated his concept concerning the future of Easstern Europe in an article published in FOREIGN AFFAIRS: [English title given] "....the United States should conduct a policy called the peaceful offensive in Eastern Europe" the condition of which is "the existence of independent-minded and self-aware Eastern European public opinion." According to the author, maintaining Radio Free Europe since 1950 has been the most important U.S. contribution to this effect. Today, however, with the spreading of new telecommunication systems, "the possibilities of an intellectual and cultural offensive on the masses has widened. It is now easier to break through the totalitarian control over mass media communications."

Brzezinski stressed that modern information technology today enables a much more ambitious and multilateral campaign than the one the United States began when it started radio programs on Radio Free Europe directed toward the European, and on Radio Liberty, directed toward the Soviets. Today the situation is ripe for "taking initiatives on the basis of an accelerated program to introduce multilingual radio programs and audiovisual cassettes, and by increasing the technical assistance provided for domestic, independent political literature. The U.S. financing of such programs should be increased at least threefold...."

It is perhaps obvious from these quotations why we also think that the "information revolution" is the most important challenge facing socialism in the area of ideological struggle.

Propaganda About Hungary [subhead]

As regards its fundamental goals and efforts, the bourgeois propaganda connected with our country is essentially no different from the propaganda connected with other socialist countries. At the same time one can also see, considerable particular features with regard to content and method.

Analyzing the competent Western mass media treatment of Hungary, we can conclude that we have a consistent "good press" image. Stressing the particular features of the so called "Hungarian model", in the past decade Western mass media have mostly recognized our achievements correctly and sometimes expected some sort of "contrast effect". In recent months, however, the positive evaluation of our situation has been weakening. This is due to our real difficulties, the slowdown in our economic development, the stagnating standard of living, and the perceptible social tensions. In addition, it is obvious that the attention of the bourgeois mass media is directed toward the renewal efforts of other socialist countries, primarily the Soviet Union, and thus the attention directed toward the Hungarian "particularity" has relatively decreased. The ideological content of reports dealing with Hungary has been strengthened. In dealing with Hungary, too, the bourgeois press is trying to discredit the question the validity of socialism and of Marxism-Leninism. They question the long-term foundations and vitality of our policy and concepts. They stress the lack of perspective, the hopelessness, and the lack of a way out of problems and increasingly deal with various claimed groupings within the leadership and "succession combinations".

In evaluating our economy stress continues to be laid on the differences in our solutions compared with the other socialist countries. The result of these different methods is the positive element in their system of values concerning Hungary, which they are quick to call these methods capitalist solutions and to claim that stability is greatly due to these different solutions. However, the tensions and increasing difficulties are, in their opinion, the results of the common, general, and essential socialist features of our social order. They continue to regard our political structure as rigid, and claim that there is a lack of determination in introducing reform measures needed in all areas of life. In reality, with all these measures they suggest the introduction of bourgeois political pluralism based on a system of several political parties, a road leading back to the bourgeois democracy, and they are using every means to attack the leading role of the party. They regard the party and government-led economic management as the basis of conservatism, and they strongly attack Hungarian-Soviet relations.

We must differentiate between propaganda about Hungary and propaganda directed against Hungary, which is decisively carried out by means of Hungarian-language radio broadcasts. Radio Free Europe continues to broadcast a full program structure in the Hungarian language and in a differentiated way according to the various strata of society; the Hungarian-language programs broadcast by the BBC are also intensely provocative and slanderous. Other bourgeois radio programs in the Hungarian language also serve the bourgeois order of values and the political efforts of the given country, but they rarely venture into direct provocation or upheaval. [paragraph continues]

Hungarian-language radio propaganda directed against Hungary also deals with a lot of economic issues, stresses our inability to carry out "real" reforms and urges the creation of political pluralism based on a multiparty system. At the same time, these broadcasts deal a lot -- and in a differentiated way according to the various strata of society -- with our standard of living, the increasingly difficult living conditions of certain strata of society, and the absurdities of social policy. By blowing up our problems and the tension which we ourselves present, they incite an unfavorable mood over various issues, like for example, labor-safety problems, the standard of the population's health, or the issue of social inequalities.

These radio programs blame the party and government for irresponsibility toward so-called "national issues of vital importance," primarily for the fact that, giving priority to their allied responsibilities, the party and government are allegedly tolerating attempts at forcefully assimilating the Hungarian ethnic population living in neighboring countries. By primarily exaggerating the really difficult situation of some of the Hungarian ethnic population living beyond our borders and by hysterically demanding various unrealistic measures, they try to incite nationalist emotions in Hungary that only hinder a solution to this problem. These radio stations do their utmost to support the so called "internal opposition" and to amplify their voice and organize their activity. By making the borders between legal and illegal activities indistinct, they would like to present the domestic opposition as greater in size and more powerful in terms of influence. By making use of the various strongly critical, and sometimes questionable articles that appear in the domestic press and journals, they want to eliminate the borders between oppositional activity and critical views. Enemy propaganda presents our principled position -- by which we do not allow anyone to threaten our socialist achievements and use primarily political means against the activity of the opposition, while also applying administrative measures stipulated by the law against activities that violate our laws -- as some sort of "toughening," and is threatening the withdrawal of the "favored treatment" supplied by the West.

In recent months the anniversary of the events of the 1956 counterrevolution has increased the Western mass media's interest in our country. Recalling the events of 1956, programs have suggested that socialism is a society incapable of renewal with inevitable, regular crises, the majority of which socialism is unable to overcome with its internal forces. On this occasion the respected and really influential bourgeois mass media also did not hide the unquestionable fact of the 3 decades of our development and our country's domestic stability. Bourgeois propaganda centers dealt with the anniversary primarily by providing strong anti-Soviet references and at the same time, they questioned -- mainly indirectly -- both the historical and the functional legitimacy of socialism in Hungary. Our ideological and political enemies would use every possible means to support the "institutionalization" of some sort of domestic opposition in Hungary, and therefore they entertained great hopes regarding possible domestic "events" organized by such an opposition. These expectations came to nothing. As a whole, this campaign has proved that the interests of a capitalist country deriving from its domestic policy situation and from foreign political efforts, that is, some realistic political approaches, are able to overcome even the strongest anticommunist and antisocialist intentions.

Our position in the international ideological struggle is determined primarily by political considerations. Accelerating socialist construction, making up for our backwardness in scientific and technological development, attaining a faster pace of economic development and economic growth, and improving the standard of living and living conditions could strengthen social stability, reestablish the pillars of confidence between the party and the masses, and could also widen the existing national consensus. [paragraph continues]

Developing socialist democracy, improving the public mood, taking a stronger stand against social inequalities, developing the citizens' public initiatives, and taking a more courageous initiative on really national problems could also expand the foundations of political stability.

Our information and propaganda services directed abroad are also present in the main front of international ideological struggle; they represent the causes of universal human progress, socialism, and peace in the struggle between Marxism-Leninism and bourgeois ideologies. Our propaganda takes into consideration that, similar to other areas of intellectual relations between peoples of countries with various social and political orders, the international exchange of information and propaganda are a means of mutually useful cooperation on the one hand, and of a powerful ideological struggle, on the other.

We want to participate in the international propaganda competition by continuing to preserve our openness. We do not want to use administrative means to curb the effects of foreign ideology and views -- if these do not take the form of an antiregime stand. Socialism's better propaganda arms the various groups of society against the affects of enemy ideology. We are interested in laying the foundations of a socialist concept based on preserving values and achievements, and bringing about conscious changes. We must make it known that, although our country -- that took the road to socialism from its own choice -- did develop considerably, compared to its past, socialism today is different from other social orders primarily in its possibilities: in the conscious methods of society's management, and in its capacity for reforms and renewal. A more realistic concept of capitalism that avoids stereotypes is however based on the fact that, without forgetting the historical general crisis of capitalism, we also let it be seen that capitalism still has considerable resources and is capable of renewal in various spheres of the world, it has an innovative economy, tachnology, and science. We must make preparations for long-term peaceful coexistence and competition with this capitalism. Being aware of such a concept of socialism and capitalism, we can strengthen the confidence in the prospects of socialism.

We should carry out ideological activity in such a way that this activity is characterized by the safeguarding of interests and a receptiveness to new things. We are defending, representing, and accepting the truth of our ideals and of their fundamental elements and methods proven by practice. At the same time, we are open to new things and take into consideration that the greatest value of Marxism-Leninsim lies in its being able to consistently combine into a system new scientific answers to new questions. With this dialectic position we can accept our great responsibility in the international ideological and propaganda struggle.

HEAVY STORMS INFLICT SERIOUS DAMAGE IN BARANYA

AU301107 Budapest NEPSZABDSAG in Hungarian 29 Jul 87 p 30

[MTI report: "700 million forints Worth of Damage to Agriculture in Baranya Country"]

[Text] Baranya county agriculture was affected on 25 July by the most severe natural disaster in its history. According to the evaluation of the Agricultural and Food Department of the Baranya county council on 28 July, hail and winds affected more than 50 large-scale agricultural enterprises, that is 80 percent of the agricultural farms in Baranya. [paragraph continues]

Various degrees of damage were inflicted on 65,000-70,000 hectares of arable land, and the amount of losses exceeded 700 million forints. This is not the final and complete sum of the damage caused by the storm as it is simply impossible to evaluate the damages suffered by the household and ancillary plots.

The greatest damage was caused to the "Hungarian-Bulgarian Brotherhood Agricultural Cooperative" of Siklos, which had been previously affected by hail; the current natural disaster has practically finished the farm. Severe damage weas also inflicted at the agricultural farms of Villany, Ujpeter, Diosviszlo, Magyartelek, and Szentlorinc, as well as to the Agricultural Combine of Boly, and the State Farms of Szentlorinc and Szigetvar.

The loss suffered by the country's largest seed-grain producing farm, the Agricultural Combine of Boly, will indirectly affect the entire Hungarian agriculture as well as the exports. The natural disaster affected 90 percent of the most valuable seed-corn, the hybrid corn.

A serious situation developed in the historic wine areas of Villany-Siklos. The hail destroyed not only this year's crop of grapes, but also endangered next year's grape harvest as the vine stocks suffered considerable damage. The largest wine producer of the area, the Pannonvin Vineyards suffered losses of several million forints. Some 200 hectares of its crop vineyards were totally destroyed, and the other plantations suffered a 30-80 percent damage.

The large-scale farms' stock of animals did not register losses, but many of the small household animals were killed by the hail. The fruit orchards in many places looked as though it were winter; hail and wind destroyed not only the crops, but also the foliage of the trees.

An emergency program has been worked out in the agricultural enterprises of Baranya to reduce and overcome the damage caused by the severe weather.

LEADERS' PUBLIC APPEARANCES 25-30 JULY

AU310931 [Editorial Report] The Hungarian press carried reports on the appearance of the following leaders from 25-30 July:

On 26 July Education and Culture Minister Laszlo Kopeczi addressed the opening of the one-week international congress on enlightenment history held in Budapest. (NEPSZABADSAG, 27 Jul p 5)

Foreign Trade Minister Peter Veress left for Geneva on 27 July to attend the UNCTAD final session. (NEPSZABADSAG, 28 July p 5)

MSZMP Politburo Member Istvan Szabo, chairman of the National Council of Producer Cooperatives, paid a working visit to Gyor-Sopron county on 29 July. (NEPSZABADSAG, 30 Jul p 5)

BRIEFS

MEDICINE EXPORT TO USSR -- Budapest, July 23 (MTI) -- Representatives of the Hungarian "Medimpex" and Soviet "Medexport' foreign trade companies have signed an agreement in Budapest on the 1988 delivery of 200 million roubles' worth of Hungarian pharmaceutical products to the Soviet Union. The agreement, which accounts for four-fifth of next year's Hungarian medicine export, covers in 70 per cent drugs produced under specialization schemes. [Text] [Budapest MTI in English 0540 GMT 23 Jul 87 LD]

CONSORTIAL CREDIT AGREEMENT -- Budapest, July 22 (MTI) -- Representatives of the National Bank of Hungary and 39 foreign banks signed a consortial credit agreement worth 400 million dollars in Budapest on July 22. The credit expires in 8 years at the interest rate of the prevailing libor plus three eighths per cent. Organizers of the consortium are among the world's biggest banks: Arab Banking Coroporation, Bahrain, Deutsche Bank, Luxemburg SA., The long-term Credit Bank of Japan LTD., Tokyo, Morgan Guaranty Trust Company of New York, and the National Westminster Bank PLC, London. The credit transaction involved British, Bahraini, U.S., French, Japanese, Kuwaiti, West German, Norwegian, Italian, Austrian, Portuguese, and Swedish banks. [Text] [Budapest MTI in English 1229 GMT 22 Jul 87 LD]

HUNGARIAN-AUSTRIAN AGREEMENTS -- According to Hungarian-Austrian agreements, Hungarian enterprises are to participate in the construction of the Nagymaros River barrage system in the form of a considerable amount of transportation and other works. The foreign trade agreement worth 540 million Austrian schillings was signed by the heads of the National Water Affairs Investment Enterprise and the Osterreichische Donau Kraftwerke Ag. [Excerpts] [Budapest NEPSZABADSAG in Hungarian 29 Jul 87 p 9 AU]

PAKISTAN PARTY HEAD VISITS -- Geza Kotai, member of the MSZMP Central Committee and head of the Foreign Department of the Central Committee, received Abid Hussain Manto, general secretary of the Pakistan Socialist Party, who is in Hungary on vacation at the invitation of the MSZMP Central Committee. At the meeting, the two officials exchanged views on the situation and current tasks of the international communist and workers' movement as well as on the possibilities of developing interparty relations. The Pakistan guest met with Feranc Solyom, secretary of the National Council of Trade Unions, and Jozsef Takacs, head of a subdepartment of the Economic Policy Department of the MSZMP Central Committee. [Text] [Budapest NEPSZABADSAG in Hungarian 25 Jul 87 p 5 AU]

COMMUNIQUE ISSUED ON VISIT BY PRK'S HENG SAMRIN

AU3O1321 Warsaw TRYBUNA LUDU in Polish 27 Jul p 2

[PAP-attributed "Communique on the Official Visit" by PRK State Council Chairman Heng Samrin, 23-25 July]

[Text] We have reproduced below the full text of the joint communique made public on Saturday 25 July in Warsaw, at the end of the visit to Poland of the high-ranking delegation of the Kampuchean party and state.

At the invitation of the PZPR Central Committee and the PPR State Council, a party and state delegation of the PRK led by Heng Samrin, general secretary of the KPRP Central Committee, chairman of the PRK State Council, made an official friendship visit to the PPR from 23-25 July.

The PRK party and state delegation laid a wreath at the tomb of the unknown soldier in Warsaw. The Kampuchean guests learned the story of the reconstruction of the city of Warsaw and visited its historical monuments. They also went to the Poznan Voivodship to visit the combine harvester manufacturing factory and the IWNO state agricultural enterprise.

A warm welcome was given to the Kampuchean delegation testifying to the brotherly feelings of friendship the Polish people feel for the Kampuchean people.

PZPR First Secretary Wojciech Jaruzelski and Heng Samrin, general secretary of the KPRP Central Committee and chairman of the PRK State Council, held talks in a friendly and cordial atmosphere.

Taking part in the talks were, on the Polish side, Wlodzimierz Mokrzyszczak, Politburo member, president of the PZPR Central Control and Auditing Commission; Marian Orzechowski, Politburo member and minister of foreign affairs; Jozef Koziol, vice president of the Council of Ministers; Boguslaw Kolodziejczak, member of the PZPR Central Committee and chief of the PZPR Chancery of the Secretariat; Ernest Kucza, member of the Central Committee and chief of the Foreign Affairs Department; Aleksander Krawczuk, minister of culture and art; Jozef Kobialka, ambassador extraordinary and plenipotentiary to the PRK; and on the Kampuchean side, Chea Soth, member of the KPRP Central Committee Political Bureau, vice chairman of the PRK Council of Ministers; Kong Korm, member of the KPRP Central Committee and PRK foreign minister; Chea Chanto, alternate member of the KPRP Central Committee and PRK planning minister; Chheng Phon, alternate member of the KPRP Central Committee and PRK information and culture minister; Chan Ven, general secretary of the PRK State Council; and Hor Nam Hong, ambassador extraordinary and plenipotentiary of the PRK to Poland. During the talks, the two sides informed each other about the activities of the two parties and the situation in Poland and in Cambodia. They assessed their bilateral relations and the possibilities for their development and discussed the root problems of the present international situation, and the principal directions of the states' foreign policies.

A consular convention and an accord on civil aviation were signed. The Polish-Cambodian Commission for Economic, Scientific and Technical Cooperation held its first session. [paragraph continues]

Wojciech Jaruzelski told Heng Samrin about the steps taken in the spirit of the 10th PZPR Congress with the goal of accelerating radical transformations in the functioning of the national economy, perfecting socialist democracy, and improving the structure of public administration in the context of the tasks which result from the implementation of the second phase of the reform.

Heng Samrin presented the situation in Cambodia. He talked about the steps taken to implement resolutions of the Fifth KPRP Congress and to consolidate the people's power, and the socio-political and economic transformations in the PRK.

The Polish party expressed its satisfaction with the remarkable results obtained in all domains by the Cambodian people under the KPRP leadership and the PRK Government in building a new society in Cambodia.

It came out in favor of intensifying efforts for national reconciliation and for a political solution in Cambodia based on the elimination of the Pol Pot clique.

The two sides noted with satisfaction the favorable development of the PRK-Poland relations. They stressed the great importance of political principles at the highest level in strengthening the relations of friendship and cooperation between the PPR and the PRK. In the development of Polish-Cambodian relations, the close cooperation between the PZPR and the KPRP, founded on Marxist-Leninist principles and proletarian internationalism, holds a special place.

The two sides were in favor of continuing to develop and deepen bilateral relations, and were convinced that this would serve the interests of the two states and peoples.

They expressed their satisfaction at the deepening of relations and cooperation between the PPR Parliament and the PRK National Assembly as well as those between various socio-political organizations of the two countries.

They noted the progress achieved in the last few years in the development and economic cooperation and the trade exchanges between the two countries despite difficult circumstances.

They highlighted the important and stimulating role which the Commission for Economic, Scientific, and Technical Cooperation can play in this field.

The two sides were in favor of increasing contacts and exchanges in the field of culture and arts, education, science, and public health. To this end, cooperation in the field of protection of PRK's historical monuments would be particularly useful to the two countries as well as to safeguard mankind's cultural heritage. Concerning international issues, Wojciech Jaruzelski and Heng Samrin noted the persistence of unfavorable events due to the confrontational policy and arms race of imperialist forces and the policy to worsen tension and to interfere in other states' internal affairs.

At the same time, they expressed the hope of seeing the further consolidation of tendencies and positive processes which have emerged lately in international relations. First of all, this is the result of new and bold initiatives of the Soviet Union and other socialist countries. These initiatives are aimed at promoting universal peace and security.

To avoid a nuclear disaster, they reaffirmed the necessity to take measures aimed at slowing down the arms race, reducing world tension, and returning to a policy of detente and cooperation among states with different socioeconomic systems. They indicated that it is necessary to strengthen the cooperation among socialist states and progressive forces the world over.

The two sides stressed the increasing role of the Nonaligned Movement as a major factor in international relations They expressed the conviction that in the epoch of nuclear-space achievements the New Delhi Declaration on the principle of a world free from nuclear weapons and violence, is a document of capital importance to save mankind from a nuclear holocaust. The Cambodian side stressed the great importance of the decisions contained in the communique issued on 29 May 1987 on the session of the Warsaw Pact Political Consultative Committee and the documents entitled "The Military Doctrine of the Warsaw Pact Countries" and "Overcoming Under Development and Establishing a New World Economic Order."

The PRK expressed its support to the ideas and conceptions contained in the plan on disarmament of nuclear and conventional weapons in central Europe presented by W. Jaruzelski on 8 May 1987.

The two parties expressed their approval of and active support for the peaceful proposals of M.S. Gorbachev in his speech in Vladivostok. These proposals constitute a realistic and constructive platform for transforming Asia and the Pacific Ocean into a zone of lasting peace, security, and stable cooperation.

Examining the situation in Southeast Asia, the two parties stressed that it is possible to resolve all contentious problems in a peaceful manner through a political dialogue among the parties concerned and that interested countries outside the region could make a useful contribution to such a solution.

They thought that the normalization of relations among Cambodia, Laos, Vietnam, and China would constitute a very important factor in guaranteeing peace and stability in that region.

Heng Samrin told W. Jaruzelski about the efforts undertaken by the PRK together with the SRV and the LPDR [Lao People's Democratic Republic] aimed at achieving stability in the region and transforming it into a zone of peace, friendship, and cooperation. He noted that the PRK ardently desires to establish relations of goodneighborliness with all Southeast Asian states based on mutual respect of each others' sovereignty, independence, territorial integrity, and interests. The Polish party expressed its support for efforts aimed at achieving a political solution to existing problems, including that of Cambodia, acceptable to all nations in the region and responding to the legitimate aspirations of all the people in that part of the world for lasting peace and stability.

The Polish side also adhered to its stand on Cambodia's representation at the United Nations and other international organizations.

The two parties made known their concern with the persistent tension in the Middle East. The global settlement of this problem and the reestablishment of peace in that region are only possible through the convening of an international conference under the aegis of the United Nations with the participation of all parties concerned, including the PLO.

The two sides supported the establishment of new and more just world economic order and shared the idea that people have the right to exercise their sovereignty and control over their own national resources. They condemned the recourse to economic pressures and sanctions as instruments of political pressure in relations between states.

Heng Samrin considered the mutual assistance and the solid fraternal solidarity of the three Indochinese people and the consolidation of friendship and multiform cooperation with the Soviet Union and other countries of the socialist community as a source of positive encouragement guaranteeing the achievement of revolutionary tasks to defend the fatherland and rebuild the country along a socialist path.

The two sides unanimously affirmed that the official friendship visit to Poland by the PRK party and state delegation will strengthen and expand the friendly relations and cooperation between the two parties and states. This responds to the aspirations of the two nations and will consolidate peace and progress in the world.

Heng Samrin thanked the Polish side for its cordial and hospitable reception accorded to his delegation during its stay in the PPR.

On behalf of the KPRP Central Committee and the PRK Government, Heng Samrin invited W. Jaruzelski to pay an official friendship visit to the PRK. The invitation was accepted with gratitude. The date of the visit will be set later.

PRC PLANNING COMMISSION DELEGATION VISITS GDANSK

LD301702 Warsaw PAP in English 1601 GMT 30 Jul 87

[Text] Warsaw, July 30 -- A delegation of the Chinese State Planning Commission headed by its vice-minister Gan Zhijian paid a short, working visit to the Gdansk-Gdynia-Sopot conurbation.

In Gdansk the Chinese guests were briefed by Deputy Voivode Leon Brancewicz about economic situation and prospects for development of the Gdansk region as well as visited the Gdansk port and the tricity with its monuments. They also met with the leadership of the Polish-Sino shipbrokers company "Chipolbrok".

At the end of the visit, the Chinese delegation met with the leadership of the voivodship planning commission and directors of some enterprises of the Gdansk coast. The sides exchanged experiences in economic reforms being introduced in Poland and China, with particular interest paid to the specificity of maritime economy enterprises.

URBAN'S 21 JULY PRESS CONFERENCE PUBLISHED

AU301935 Warsaw RZECZPOSPOLITA in Polish 27 Jul 87 pp 5,6

[Transcript of press conference by given Government Spokesman Jerzy Urban in Warsaw on 21 July]

[Text] Urban: Polish society has been surprised by the decision of the Hungarian customs authorities. [paragraph continues]

Without prior notice to the Polish authorities and all persons concerned, they began to demand customs guarantee fees in convertible currency from Polish tourists, imposing the fees retroactively and at the height of the tourist season. This decision surprised Polish tourists. The Polish Foreign Ministry and the Polish Embassy in Budapest are trying to eliminate this clash in the mutual relations of two friendly countries. We believe that Hungary's discriminatory decision to apply procedures to Polish tourists that are different from those applied to other tourists shows signs of the application of collective blame and is unfair to the great majority of Polish tourists. In this situation we expect a return to previous customs procedures and the launching of joint measures to eliminate the pathological phenomena occurring on both sides of the Polish-Hungarian tourist exchange. The Polish Foreign Ministry has proposed similar steps to the Yugoslav authorities in connection with the discriminatory practices of the Yugoslav customs authorities vis-a-vis Poles. Talks at the appropriate levels will soon commence on this issue as well.

The next subject. As the press has said, in the spring I met with representatives of various sectors of Polish emigre society at the Polish Consulate-General in Stockholm. During the talk, which lasted many hours, the Swedish Poles addressed to me various demands vis-a-vis the Polish authorities, mainly concerning passport and visa matters. They criticized the need for bearers of Polish consular passports to have a so-called entry clause for Poland. They asked that bearers of Swedish passports who in the eyes of Polish law have not ceased to be Polish citizens, be allowed to enter Poland more easily. They demanded that Polish citizens who have remained abroad be allowed to renew their Polish (non-consular) passports for more than 5 years, and that Polish passport bearers who extended their stay abroad for a period longer than the period of validity of their passports and remained abroad be allowed to enter and leave Poland without fear of their passports being taken from them. They asked that the next of kin of persons who left Poland and remained abroad should experience no difficulties when leaving Poland to visit fathers, mothers, or spouses. They asked that the so-called March emigrants of 1968 be treated no differently when applying for Polish visas than other Swedish citizens. They also expressed interest in investing money in Poland for the development of businesses. Finally, they called for an end to compulsory currency exchange for bearers of Polish consular passportss.

I told the representatives of the Poles in Sweden attending this meeting with the Polish Government spokesman that I would convey all these requests to the relevant Polish authorities, and I assured them that they would be seriously considered with a feeling of understanding for the often complex circumstances of Polish nationals living abroad.

The path of the simplifications called for at the Polish Consulate meeting in Stockholm coincides with the intentions of the Polish authorities, who are seeking ways of applying passport-visa regulations that safeguard Polish state interests and simultaneously encourage the perpetuation of bonds with the mother country. Some members of the State Council chairman's Consultative Council have spoken out in this spirit, after which General Wojciech Jaruzelski announced that he had called for simplifications in line with the above path.

As Tadeusz Olechowski, under secretary for foreign affairs, said in his Sejm speech on 16 July, the implementation of some passport, visa, and citizenship rules has been amended. When I perused the notes made during the Polish Consulate meeting in Stockholm, I noticed that the path of thinking and the intentions of the Polish authorities coincided with the demands voiced at that meeting. [paragraph continues]

As a result, all the issues raised at the meeting concerning this sphere of issues have been settled by the Polish authorities fully or partly in line with the wishes of the persons who voiced them.

I hope that the press in countries where there is a considerable number of Poles will wish to inform them that the Polish authorities are genuinely trying to consider the demands of Poles and Polish emigre circles loyal to Poland. I also hope that the foreign press will inform Polish communities about the changes in Polish passport-visa rules applicable to emigre Poles. I suggest, and even beg, that Dr Witold Rybczynski, Polish consul-general in Stockholm and the host of my meeting there, would be so kind as to present the details of the new decisions by the Polish authorities which wholly or partly coincide with what was requested at the meeting with the Polish Government spokesman.

Now I would like to give the floor to Prosecutor Waldemar Monkiewicz, director of the Bialystok District Office of the Commission for Investigating Hitlerite Atrocities, who is sitting here beside me.

Monkiewicz: In accordance with local reports, I visited the area around Giby, Suwalki region, on 15 July. I had been told that some obscure burial grounds had been discovered. There was a likelihood that they stemmed from the Hitlerite occupation, or from World War II. Therefore, acccompanied by Dr Tadeusz Jozwik from the Forensic Medicine Faculty of the Medical Academy in Bialystok, I proceeded to this location, having of course organized all the technical facilities for uncovering the burial site and checking its contents.

The burial site is about 8 km from Giby, on a country road leading to Rygol and in a forest determined by foresters to be 50 to 55 years old. Someone had tried to dig there and, in the process, discovered the remains of people. On arrival, we decided, with the help of several local workmen assigned to us by the local authorities, to dig into the top surface of the soil. We established that the collective grave is about 52 meters long and about 2 meters wide, and we began to uncover it in places where it was clear that the soil had been touched. We discovered the first skeleton at a depth of between 1.20 and 1.5 meters. Digging in the expected direction of the grave, we then discovered another skeleton and another and another, until we had discovered nine skeletons, lying face up in an even row, 1.3 meters betweeen each skeleton.

I place particular emphasis on these equal gaps between each skeleton and the neat row in which they lay. Such a symmetry caused me, and not only me, but others taking part as well, especially Dr Jozwik, to have doubts as to whether these were people who had been executed during the occupation, when, as we know, there were usually various scenes of violence involving shooting and then pushing the victims into previously dug graves with the butts of rifles. In any case, the appearance of human remains arranged at such even intervals seemed very dubious.

But I do not wish to forestall judgment. Well, we commenced more detailed investigations. Having removed subsequent layers of soil, we cleaned more skeletons with the help of brushes, as a result of which we discovered objects lying near the skeletons. In particular, we discovered identity tags. I should stress that the presence of these tags is very significant because in accordance with wartime burial practice, one-half of such a tag is placed in the grave and the other half serves as a record for the military unit that the person involved died in battle or otherwise. Apart from this, we discovered a large number of military buttons. The features on these buttons showed that they were of German origin.

The buttons on German military uniforms possessed typical surface dots, which were easy to identify in this case. In addition, many other features showed that it was soldiers who had been buried here, features such as tents and a pair of suspenders of the kind worn by German soldiers. Examining one skeleton in detail, we discovered a death's head emblem, which when worn on caps usually identified an SS unit. There was a series of other objects about which there was no doubt whatsoever that they had belonged to German soldiers, objects such as a cigarette case. Of course, a cigarette case on its own is nothing special, but inside it there was a German inscription revealing that it had belonged to a German soldier. There were other minor objects, such as a small elephant and horseshoe, signifying some kind of talisman, with a German inscription on the elephant which also showed that it had belonged to a German. Apart from this, there were such things as a bottle of disinfectant and other items of varying significance.

The local populace took part in viewing the skeletons. A lot of interested people gathered, and some of them even helped us to remove the topsoil and carefully watched further activity. The people employed to uncover the skeletons picked up the objects that were lying near the skeletons, and they showed them not only to us, but we in turn also showed them to everyone else standing around so that they could be sure that it was not civilians who were lying here, but members of the military. All in all, a considerable number of people took part in our work.

Urban: Thank you, Mr Prosecutor. Could you show these objects, because the photographers and television men are interested.

Monkiewicz: Of course. I thought they would. I will do so in a moment.

Urban: I propose a break in order to finish this topic. I want to comment on what the prosecutor has said, but let us end this part of the conference by stating the facts.

Monkiewicz: I said that we had found identify tags. Please take a look at them. Here, for example, is one bearing the letters BTL and the figure 202. It seems to me that this is the number of a batallion. Following this number is a row of other letters which are capable of being deciphered. The next tag carries the inscription: sztam [as published]. Now look at this. This is a death's head emblem that was found near one of the skeletons. This is the type of emblem that was worn mainly by SS units.

The inscription inside the cigarette case is very significant. The case even contains cigarettes, in pieces of course. Here you are; we will pass the case around in a moment -- no, perhaps it is better if I tip the cigarettes out. There. Now read the inscription inside the case. It is in German. There is not the slightest doubt about that. Here is also the bottle of disinfectant. We found other petty objects which are probably of minor importance. Theses are fragments of a third identity tag. Unfortunately, they are completely covered in rust, a result of the environment in which they lay. Here are other objects, such as the remains of suspenders. Here are some dentures, a comb, and rusty scissors. This is what the army usually carries with it. So these smaller objects possessed some importance perhaps. But here, for example, are pieces of a military tent, showing that it belonged to soldiers. Yes, there are many fragments like this which were found on the spot, not to mention the military and typically German buttons. That is all I wanted to say. Perhaps there are some questions?

Urban: Thank you very much, Mr Prosecutor. Why did we invite the prosecutor to a press conference if the discovery of war graves in Poland is no sensation? Because on 15 July, all press agencies with offices in Poland reported on the finding of old graves near the village of Giby in the Suwalki region. REUTER, UPI, ASSOCIATED PRESS, AGENCE FRANCE PRESS, all of them spread this news around the world. Western stations broadcasting in Polish also did so. Some large Western dailies such as THE NEW YORK TIMES and the British DAILY TELEGRAPH carried extensive reports on the finding of these graves. As we know, the Hitlerite Germans invaded Poland and later invaded the Soviet Union. As a result, over 1 million Germans in the army and in other German formations died on Polish soil. So why has the finding of a burial site containing about 20 bodies become a world sensation? Without waiting for an answer as to who had been buried in these graves near Giby, the West's powerful propaganda apparatus started to produce new blank spots in Polish-Soviet relations. They started to announce all over the world that these were probably Polish victims of Soviet repression. Any pretext, even such a dubious one as a forest grave containing Hitlerites, is good enough for an effort to inflame Polish-Soviet relations. However, this pretext is particularly scandalous, because if there were no bodies of Hitlerite invaders lying on Polish soil, the French press agency that is preying on these bodies today might have been a German-language station named after Lavalle.

The British DAILY TELEGRAPH wrote the following: "In the village of Giby near the Polish-Soviet border, experts on war crimes discovered a mass grave probably containing the remains of 200-500 Poles who died following their arrest by the Russians toward the end of the war." It is worth wondering what would have been the name of the DAILY TELEGRAPH today if there had been no Nazi troops in Poland. The fact that I told Western correspondents by telephone that the graves which had been turned into a sensation were simply old graves containing Hitlerite invaders made no difference. The Western media did not regard this as sufficient enough to stop the anti-Soviet campaign. They still continued to produce a new blank spot in Polish-Soviet relations. I protest against such dirty journalistic work, and protest against the use of any pretext to poison the atmosphere in and around Poland. That is all I had to say.

Peter Johnsson, GOETEBORGS POSTEN: In connection with your statement about simplified procedures concerning trips and about visas for Poles living permanently in Sweden, I wanted to ask if there are any general trends toward a further simplification in tourist traffic between these two countries. I am particularly interested in the government's stance on the subject of visas for Swedish citizens. Do you think it is possible in the near future to abolish visas for Swedish citizens coming to Poland? I am asking because there are rumors that the Swedish Government may undertake action that will permit the visa requirement to be lifted.

Urban: I have been misunderstood. These simplifications and changes not only apply to Poles in Sweden, but also to those in any other country, anyone of Polish origin anywhere in the world. Second, there was a period in which there were no visas for travel between Poland and Sweden. It was not our desire and idea to bring them back, but that of the Swedish authorities. (Footnote 1) ("The Government Press Office states that the reintroduction of the visa requirement took place on the initiative of the Polish side.") A return to the previous state of affairs is a matter of bilateral talks.

Carlos Battista, PRENSA LATINA: We have learned that the U.S. Congress has voted, and President Reagan has approved, subsidies for Solidarity bodies in Poland, about $1 million worth. How will this affect the development and normalization of Polish-U.S. relations?

Urban: You probably do not expect me to say that gestures like this encourage an improvement in mutual relations, and yet major American circles are saying that they want such an improvement. But there have been so many unfriendly acts toward the Polish state from that side that this million dollars is but a drop in the ocean. In any case, I see in this decision by the U.S. authorities certain aspects that might be advantageous to Polish interests.

First, the actual sum. One million dollars is the price of a decent villa in the United States or of an oceangoing yacht. So the U.S. Government and Congress have set their Polish allies in the illegal Solidarity structures a low price, although even for $1 million huge fortunes may be made on the black market.

Second, these structures have been financed by America for a long time, but there have always been attempts to disguise this. It has been given the name U.S. trade union aid for Poland, but money has also generously flowed from various foundations and alleged social committees. The U.S. Government and Congress have pretended that the Polish Solidarity opposition is not on the U.S. state payroll. The recipients of the dollars have also always stressed their independence and have denied with equal firmness that they were being supported by foreign governments. But now the fig leaves have been removed. Mr Jerzy Milewski from Brussels, an American confidant, will now distribute to his underlings in Poland not only the "perfumed" dollars, in other words, alleged trade unions dollars, but also U.S. Government money. So, in fact, the U.S. Congress and this country's President, by their decisions, have "done an ill turn" to various "underground and surface" activists of the former Solidarity, considering them to be a paid agency of the U.S. Government. Let me add that this government realizes the political-legal significance of this, for according to U.S. legislation organizations active in the United States but financed by foreign governments are obliged to register themselves as foreign agencies.

The Polish Government wants honesty from the U.S. authorities, a departure from the masquerade so far. So I do not think there has been any significant deterioration in our relations. However, the U.S. authorities have given a slap in the face to all those Poles who belonged to Solidarity in 1980 and 1981 in good faith and who retain their sentiment toward this name even today. That is the end of their illusions. A foreign power that has caused Poland so much damage has accorded a de facto recognition to the leaders of the former Solidarity via its political agency. The illegal Solidarity and the people in it have officially become a foreign paid body, something alien to Polish life, Polish honor, and Polish interests.

It is in this context that one may and should read the various appeals addressed to the Polish authorities about accord and cooperation with the former Solidarity that are still being submitted either by Solidarity activists or persons abroad. With whom are the Polish authorities meant to have accord? With whom dialogue and cooperation? We may talk if the U.S. Government tells us that the Solidarity Provisional Council or Temporary Coordinating Commission or some other U.S. agency possesses the status of a U.S. representation in Warsaw.

The $1 million U.S. Government subsidy has explained the situation in yet another light. Some Western politicians who come to Poland hold talks with former Solidarity activists. They justify this by their desire to learn the allegedly independent views of parts of Polish society. [paragraph continues]

From now on, the Polish authorities will have no major objections to these meetings, because they will be, in fact, overt meetings between U.S. politicians and their own functionaries. So statements that these meetings represent real contact with the voice of Poland will seem completely humorous.

Jackson Diehl, WASHINGTON POST: I also think this will be a very interesting issue, but I wanted very much to ask about visas. The same restrictions that have just been applied by Hungary were also applied by Czechoslovakia and Romania last year. Has this situation changed? Those governments, which are also friendly socialist governments, also maintain that most of the tourists entering their countries and becoming involved in illegal currency and black market dealings come from Poland. Could you comment on why this is so? Why do these governments think this? Thank you.

Urban: I have no information about any controversial changes in the regulations applied by Czechoslovakia and Romania. But you are mistaken to describe them as visa matters. These are customs matters, not visa matters. We do not deny that a certain number of Poles leave Poland purely in order to engage in trade and that a certain number violate the customs rules of other countries and that some of those who do not leave Poland in order to engage in trade do so later in order to recoup the costs of their journey. This is not a one-sided phenomenon. Citizens of some other countries that are on friendly terms with Poland also come to Poland in order to engage in similar activity.

At the economic roots of this negative activity lie the differences in prices between the socialist countries. It is natural for the customs authorities of each country to try to eliminate the abuse of tourism for other purposes and to eliminate dealings that are economically harmful to it, the degree to which they do so being dependent on how they view their own interests. Nevertheless, I expressed my surprise at the fact that, first, Poles had been provided with a negative distinction by the Hungarian authorities -- in other words, some sort of separate lex Polona [given in Latin] had been applied -- and, second, that the principles of collective responsibility have been applied. We never protest when a real trade trafficker receives just punishment. Apart from this, we oppose the exaggeration of this phenomenon. There are also tourist trips to Poland which look like trade markets. The Polish authorities are doing what they ought to do, or sometimes they fail to notice this activity. But these things should not result in steps which harm mutual relations, at least as far as personal traffic is concerned. As we know, personal traffic, human contacts, and trips form the social basis of friendship between countries and peoples.

Michael Kaufman, NEW YORK TIMES: Replying to the PRENSA LATINA representative's question, you said that in the United States certain organizations subsidized by foreign governments may register themselves as some sort of representations or agencies of these governments. We know that the people rallying around the Solidarity banner are organizations or persons who regard themselves as representatives of the trade union movement and would very much like to be registered as representatives of the movement of working people. I beg your pardon, but these are people who once had a registered organization here in Poland in the form of the independent Solidarity union.

Therefore, these are people who belonged to a union of working people and who did possess such registration. However, we know what happened to this registration and these rights. [paragraph continued]

Further, I wanted to ask whether these same people can now expect to be registered as an organization that gathers together, let us say, friends of the United States or sympathizers with U.S. democracy or admirers of President Reagan. Could a group of people possessing such a nature be registered?

Urban: I was concerned with the possibility of recognizing them as representatives of the government which pays them.

Charles Gans, AP: The death penalty has just been abolished in the GDR. Is the abolition of the death penalty in Poland supported by the Catholic Church and lay Catholic organizations? Do you think a similar decision is possible in Poland?

Urban: The question of the effectiveness, moral value, and pragmatic raison d'etre of the death penalty in Poland is being discussed. There is work on amending or even thoroughly revising the penal code in Poland. This is long-term work. That is all I can say. It is difficult for me to forestall the issue or rule out the fact that the subject of the death penalty may be tackled by the bodies that are preparing the new legal solutions, but I have no such information. That means that I do not rule out this possibility, but I have no knowledge of whether there are such plans.

Charles Gans: Coming back to the group grave near Giby, I think the whole issue was raised by local people saying that in July 1945, when this area was already under the control of the Polish Army, or the Polish authorities to be exact, Soviet forces entered this area and deported 12 trucks full of people living in this area. These people were never seen or heard from again. All signs of them have been erased. Therefore, I would like to ask if the commission that investigated the events in this area during and after the war has anything to say about the fate of these people. I think that if it were known what happened to them, all these rumors about this group grave would never have occurred.

Urban: Saying that people said this or that has the same historical value as the more far-reaching statements by the Western press. I tried to establish if there really were events in that area which might have created fixations or a psychosis among the local people which made them offer the kind of commentaries to Western journalists that they did. This is a question of historical research and the region's history. So far, I have received no confirmation from the authorities in that area whether there were events like the ones you mention after the war. I cannot rule out any events. Quite simply, historical records and archives contain only the information that toward the end of the war in the Suwalki region there were armed bands in the woods who fought people's rule in Poland and who were hunted down with the use of arms. All this has been established. But it has not been established if Ciby and the area around it was the scene of events like this. However, what I am saying is based on a hasty question. In any case, no such dramatic events as the ones you describe are part of historical knowledge.

Michael Broniakowski, REUTER: I would like to go back to the matter of Giby once again. The local population says that they tried via various government agencies to find relatives who had disappeared. Did the Polish Government help them to find them, or is nothing known about this as well?

Urban: I believe I have already answered this question in my reply to the previous one. These are historical matters and not current topics. [paragraph continues]

Right now, today's Polish authorities know nothing of anyone secretly disappearing in the past, neither do they know if Polish authorities have ever looked or were ever meant to look for anyone. Quite simply, I know nothing apart from the fact that in this part of Poland there were battles with underground armed units. We know about the attacks by these bands on state institutions. We know the scenario of these struggles and the consequences they caused. Of course, the consequence of the struggle is dead and arrested people. This was not an area where nothing happened. I have in mind the whole region, not just the village of Giby.

Michael Kaufman: NEW YORK TIMES: I have a question for Mr Monkiewicz. Right now there is another report from local people. I repeat -- from local people, not from the authorities. The report says that the burial site of Giby was larger than the one that has been discovered. Local people are saying that members of the Wehrmacht and the Waffen SS were indeed buried in the locality. But they also say that there are probably other graves in the area containing Poles. In this connection, I have a question. Have any talks been held with these local people, are any further searches underway, have any explanations been offered, or is anything at all known about this matter? The point is simply to silence any rumors. Thank you.

Monkiewicz: As far as the discovery of the grave is concerned, this was the result of concrete information that reached us. I am not in the habit of avoiding conversations with people. On the contrary, I talk to them all the time, at every opportunity, especially to those who can give me information about the Hitlerite occupation and World War II. I was in the area concerned, I performed work. I was there more than once, in fact. I can boast of having visited most of the major places in our region, not forgetting particular villages. I am completely sure that so far no one has informed me of any more graves which might reveal something new. If the correspondent asking the questions has any concrete information, I will always gladly listen.

Urban: I wanted to add to the prosecutor's reply the following more general reflection. Between 1 and 1.5 million Hitlerite soldiers died in Poland. About 600,000 Soviet soldiers who were liberating Poland also died in it. Several hundred thousand Polish soldiers died in Poland during various stages of the war, although this does not mean that their bodies were found. About 6 million civilians died. Please imagine what this means in terms of Poland, and please consider the sense in asking questions about whether a grave not containing Wehrmacht soldiers might perhaps be somewhere else. If Polish soil were unearthed in its entirety, the inappropriateness of questions like this would also be revealed.

Michael Kaufman: I understand and respect your point of view, Mr Minister. But on the other hand, I feel obliged to point out a certain difference that exists in interpreting statements like yours. Your point of view, Mr Minister, is a historical one. However, we are more interested in a journalist's point of view. Today there are people who are looking for the ashes or bones of their relatives or seeking answers to the question of what happened to those relatives who disappeared during or after the war. If today there are people who have suspicions or very concrete doubts about what happened, then I regard this as very much a part of reality, an expression of existing suffering and feelings. That is why we are interested in this topic. We are not interested in it in order to provoke anyone or to be provocative journalists, but in order to unveil the tragedy in the plural sense, a tragedy which still concerns the country.

Urban: I understand your point of view, and of course I share your respect for human feelings of this nature. First of all, however, it is necessary to establish some facts which would confirm the basis of these people's feelings. [paragraph continued]

These were stormy years, years of internal struggle in Poland. If I were to list everything covered by Polish soil, I would have to include many thousands of members of the armed underground killed after the war and the many thousands of people killed or murdered by the armed underground or by supporters of the new authorities during these struggles. And this is also a Polish drama. Their graves, their remains also lie in the soil. If I believed and firmly said that the activity of the Western press is provocative in nature, I did not do so because the Western press respects and recognizes what some Polish citizens say about their relatives dying over dozens of years in circumstances which the papers fail to further explain. I said it because it is enough for someone to have a dream and then the Western press immediately reports that the dream started off a search for graves and because it is enough to find the grave of a Hitlerite soldier in order to spark off an avalanche of dispatches and articles possessing a clear political trend.

Marian Podkowinski, PERSPEKTYWY: What do we intend to do with these graves? I imagine that in West Germany there will be people interested in these circumstances because it is constantly being said that there is no memorial to Wehrmacht soldiers in Poland. Second, does the prosecutor know that it is very easy to establish the date, unit, and place from the archives? It is possible to establish what unit was stationed in the area.

Monkiewicz. Thank you very much for this information. I will try to use it in order to identify the units to which the soldiers belonged. The question of a memorial belongs to the sphere of the local authorities, who I assume will secure the burial ground. At the least, preliminary talks have revealed that suitable information will be located on the graves.

POLITBURO DISCUSSES ECONOMY, ALCOHOLISM

LD301536 Warsaw Domestic Service in Polish 1700 GMT 28 Jul 87

[Text] PAP reports that today the Politburo examined once again the state of preparations for the introduction of the second stage of economic reform. It also concerned itself with the preparation for the introduction.

While assessing the operation of the law on education for sobriety and measures against alcoholism, the need to intensify the struggle against this social plague was emphasized.

TOASTS GIVEN AT NEPTUN LUNCHEON FOR PAPANDREOU

Ceausescu Toast

AU301219 Bucharest SCINTEIA in Romanian 28 Jul 87 pp 1, 3

[Toast proposed by President Nicolae Ceausescu at luncheon given by him in honor of Greek Prime Minister Andreas Papandreou in Neptun resort 27 July]

[Text] Esteemed Mr Prime Minister, gentlemen and comrades: Once again I would like to cordially greet our friend, the prime minister of Greece, and to welcome him and our Greek guests on Romanian soil.

Although it is very short, we view your visit as a fresh important event in developing the traditional relations between Romania and Greece.

This is not the right time to speak about history, but during difficult moments in old times, the two peoples cooperated both in the struggle for national liberation and for strengthening their independence and sovereignty; in the current serious situation, cooperation between Romania and Greece is an important factor for the policy of detente, disarmament, and peace.

This morning we began our talks. I want to note with satisfaction that we have arrived at the same conclusions on the issues we have discussed and this demonstrates that our countries are for a democratic solution of the serious problems in the international arena, primarily for general and nuclear disarmament, and for a policy of peace, which today is a vital requirement not only for our peoples, but also for the whole of Europe and the entire world.

It does without saying that we have mutually stressed that relations between our countries, among the European states, and among all states in the world must be based on the principles of equality, respect for national independence and sovereignty, and noninterference in domestic affairs.

Owing to historic circumstances, Romania and Greece belong to two different military blocs, although from the perspective of the desires of the two countries they belong to the same bloc -- of independence and socioeconomic development. However, temporarily belonging to two different military blocs, we must work together as we have agreed to do so in order to contribute to the settlement of problems through negotiations and to definitively eliminate force in international relations.

We believe that we must give priority to the conclusion between the Soviet Union and the United States on agreements concerning the medium-range missiles in Europe as well as operational tactical ones. We have also commonly stressed the importance of the proposals made by the Soviet Union to renounce the medium-range missiles in Asia on this occasion. We also believe that it is necessary to work to achieve agreements on the other issues, which are the subject of negotiations between the United States and the Soviet Union.

We are for the start, as soon as possible, of negotiations on reducing conventional weapons.

Although we have not concluded our talks, we have had a brief exchange of views on problems in the Balkans. We believe that we must work to overcome the various problems that exist today between the Balkan countries in order to achieve general relations of good neighborliness and cooperation; within this framework, we must work to resolve the various problems both regarding economic, scientific-technical, and cultural cooperation and the problems of disarmament and peace in the Balkans, this being part and parcel of cooperation and peace in Europe.

This is why I view your visit to Romania, Mr Prime Minister Papandreou, as very important. I am convinced that during our talks we will conclude many positive understandings in the interest of our peoples, in the developing cooperation in the Balkans and Europe, and in disarmament and peace in general.

I want to emphasize that we have noted our common position and thinking on many of the issues; this creates a positive foundation for developing our cooperation in the future and thus better conditions are created to expand economic, scientific-technical, and cultural cooperation in keeping with the interests of progress of the two countries.

Being convinced that this visit and our talks will mark a fresh and important stage in developing relations between Romania and Greece, I want to wish for positive cooperation between our peoples; I wish the friendly Greek people great prosperity and well-being.

To the health of Prime Minister Papandreou!

To the health of all of you! (applause)

Papandreou Toast

AU301422 Bucharest SCINTEIA in Romanian 28 Jul 87 pp 1, 3

[Toast proposed by Andreas Papandreou, prime minister of the Hellenic Republic of Greece, at a lunch given in his honor by Romanian President Nicolae Ceausescu, on 27 July in the Black Sea resort of Neptun]

[Text] Esteemed Mr President, Gentlemen,

I would like to emphasize that I and the colleagues who accompany me in this delegation are very pleased. We all feel the warmth of this welcome. This visit, although very short, lasting only 1 day, gives us the opportunity to renew the relations of friendship that link us — especially my relations of friendship with President Ceausescu — and to more rapidly promote certain political actions which, in these critical times for Europe and for the whole world are absolutely necessary. We hope that they are completely efficient.

As regards the policy pursued by the two countries, I would like to stress that, although we belong to different military blocs, we promote a multi-dimensional foreign policy, which not only contributes to promoting our interests, but is also a model that could be followed by all of Europe, because both President Ceausescu and ourselves feel that neither NATO nor the Warsaw Pact should live long. I believe that enough decades have passed since World War II and we, Europeans, have a right to dream about, and not only to dream about but also to lay the foundation for the Europe of tomorrow; a Europe that should serve not only our peoples' interests but also the great causes like nuclear disarmament, and the elimination of chemical weapons and military bases from the territory of other countries. We believe that, only when all these things are achieved, will we be able to say that World War II is over and that Europe will have begun a new course.

President Ceausescu reiterated this policy 22 years ago and this also explains why we fully agree on the issues we examine together. I do not want to repeat everything President Ceausescu said; I just want to state that I fully agree with what he said. Indeed, it is a common cause to struggle for the promotion of detente and for efficient negotiations, with good results, between the two superpowers, so that this first step toward the elimination of medium-range missiles and the second step toward a 50 percent reduction of strategic weapons are achieved and, at the same time, progress is registered on the issue of conventional weapons, at the Vienna negotiations. We should see to it that, all the imbalance existing in Europe, from the point of view of arms and conventional weapons, must be balanced by cutting their number and by reducing them to the lowest possible level, instead of increasing the number of these weapons.

As it was very well expressed by President Ceausescu, aside from these huge problems, which determine our own survival, there is still the issue of the Balkan peninsula. There are very important initiatives to eliminate nuclear and chemical weapons from this region and to achieve a broad cooperation in the Balkans, thus turn this peninsula from a "powder keg" of Europe -- as it was regarded in the past -- into the most peaceful region of Europe.

I would like to express my thanks to President Ceausescu and to his aides and I want to stress that our meeting and our dialogue are of historic importance.

I would also like to wish much success and progress to the friendly Romanian people and to raise a toast for the health of President Ceausescu and of his aides. (applause).

CEAUSESCU MEETS BELGIAN SOCIALIST PARTY LEADER

AU301858 Bucharest AGERPRES in English 1820 GMT 30 Jul 87

[Text] Bucahrest, AGERPRES, 30/7/1987 — On 30 July RCP General Secretary Nicolae Ceausescu, president of Romania, received Roger Gailliez, general secretary of the Socialist Party of Belgium — the French speaking wing, who is visiting Romania upon the invitation of the CC of the RCP.

During the interview which proceeded in a warm, friendly atmosphere, the sides informed mutually of the activity and preoccupations of the two parties and exchanged opinions on certain current international questions.

In the context the sides pointed out the ascending course of the relations of collaboration between the RCP and the Socialist Party of Belgium-the French speaking wing, based on fully equal rights and mutual respect. The sides expressed the wish to develop further these relations, in the interest of the two parties, of strengthened friendship and collaboration between Romania and Belgium, in the advantage of the two countries and peoples, of the cause of peace and understanding among nations.

During the exchange of views on questions of the international political life, President Nicolae Ceausescu underscored once more the role and special responsibilities incumbent on the European states in point of implementing disarmament, nuclear disarmament in the first place, of providing peace, strengthening the collaboration and cooperation in the continent.

The sides pointed out the importance of concluding an accord between the USSR and the U.S.A. starting from the proposals issued by both sides in point of withdrawal of the intermediate-range missiles and of the long-range ones.

In the context the sides pointed out the importance of strengthening the collaboration among the communist, socialist, social-democratic parties, among all the democratic and progressive forces in the struggle for concluding adequate understandings in the area of disarmament, of strengthened security, collaboration and peace in the European Continent and all over the world.

CEAUSESCU MEETS UK CONSERVATIVE PARTY OFFICIAL

AU301825 Bucharest AGERPRES in English 1525 GMT 30 Jul 87

[Text] Bucharest, AGERPRES, 30/7/1987 -- On Thursday, July 30, Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of Romania, received at Neptun James Spicer, deputy chairman of the Conservative Party of Great Britain, chairman of the party's Foreign Relations Department, who is paying a visit to Romania.

The guest conveyed Nicolae Ceausescu cordial greetings on behalf of Margaret Thatcher, leader of the Conservative Party of Great Britain and British prime minister, and of the party chairman, Norman Tebbit.

The RCP and Romanian state leader thanked and conveyed the British prime minister and the chairman of the Conservative Party of Great Britain a warm salute and the best wishes.

During the talk stress was laid on the fine links of friendship and collaboration between Romania and Great Britain and real possibilities were shown to exist for their further growth, in the economic area in particular.

At the same time, aspects of the world political life were approached, with emphasis on questions related to nuclear disarmament, the peaceful, negotiated settlement of interstate differences and the fight to strengthen security, collaboration and peace in Europe and throughout the world.

STATE COUNCIL DECREE TO BOOST MATERIAL INCENTIVES

AU300927 Bucharest SCINTEIA in Romanian 29 Jul 87 p 1

["Decree of the SR of Romania State Council on Measures to Boost the Material Incentives of the Working People and of Enterprises in Fulfilling Export Production and Actual Exports"]

[Text] To boost the direct and forthwith material incentives of the working people and enterprises in fulfilling the export production plan and export itself, current regulations on granting incentives to the working people's collectives, which fulfill the export plan by meeting the quality requirements and the other provisions, will be amended.

For this purpose, the SR of Romania State Council decrees:

Article 1. (a) On completely fulfilling the planned export production and actual exports in terms of convertible currencies, apart from the remuneration due to them under the law, the workers, foremen, engineers, technicians, and the other personnel in enterprises producing commodities for export will receive monthly an additional 10 percent of the remuneration due for the export production stipulated in the plan and in the overall contract system for the given month.

(2) On completely fulfilling the planned export production and export itself in terms of clearing with the socialist countries, the personnel mentioned in paragraph (1) will recieve monthly -- apart from the remuneration due to them under the law -- an additional 5 percent of the remuneration due for the export production stipulated in the plan and in the overall contract system for the given month.

Article 2. (1) The additional remuneration envisaged in article 1 will be granted to:

a) Directly productive workers, leaders of productive sub-units, foremen, engineers, technicians, indirectly productive workers, other personnel in sections and workshops, and to other productive sub-units with a planned item-specified production for export:

b) Managerial personnel in economic units producing export commodities, chiefs of production, planning, material-technical supply, and foreign trade departments within the operational apparatus of those units, and to personnel with tasks in fulfilling the export production plan and actual exports within those departments.

(2) On completely fulfilling the planned indicators for the whole enterprise, the personnel mentioned in paragraph (1) benefits from this additional pay for fulfilling the export production plan and actual exports in keeping with the provisions of article 1.

Article 3. The provisions of article 1 and 2 are applicable also in units whose plan envisages tasks regarding the delivery of raw and subsidiary materials, parts, and subassemblies which are to be incorporated in the export production of other units.

Article 4. The sums of money which, according to the provisions of the present law, are due as an additional pay to the monthly remuneration, can be drawn from banks under the same conditions as the sums of money due under the law for exceeding the export production and specific criteria in keeping with the provisions of the State Council Decree No. 336/1983 on the calculation, availability, and utilization control of remuneration funds as modified and completed by State Council Decree No. 222/1986.

Article 5. (1) The working people's fund of shares in achieving the planned production and profits and in distributing profits is set up on the basis of a 2.5-3 percent quota of the planned remuneration fund. In the case of crude oil and gas extraction, mining, and drilling units, the working people's fund of shares in achieving the planned production and profits and in distributing profits represents 4 percent of the planned remuneration fund. In the case of sociocultural units, ministries, the other central and local bodies, and state institutions, the bonus fund will be 2.5-3 percent of the planned remuneration fund.

(2) the differentiation of quotas within the limits stipulated in paragraph (1) will be made annually, together with the approval of the state plan and budget.

Article 6. The provisions of the present decree will be applied beginning with 1 August 1987.

Nicolae Ceausescu, president of the SR of Romania.

CEAUSESCU VISITS CONSTANTA ECONOMIC UNITS

AU301824 Bucharest AGERPRES in English 1516 GMT 30 Jul 87

[Text] Bucharest, AGERPRES, 30/07/1987 -- On July 30 RCP General Secretary and Romania's President Nicolae Ceausescu paid a working visit to economic units in Constanta County.

The Romanian head of state first saw round the "Midia" petrochemical combine where he examined a number of questions related to the activity and results of the collectivity of that representative unit of Romanian petrochemistry, as well as the way in which programmes for the organization and updating of production processes in the current five-year period are implemented.

President Nicolae Ceausescu was informed of the current stage of the construction of the new petrochemical plants that either have entered various execution stages or are being technologically tested. Both these highly complex units and the technologies envisaged are designed by experts from units under the Central Institute of Chemistry.

Next, President Nicolae Ceausescu visited the Palas Constanta Institute for Research and Production for Sheep and Goat Rearing. The institute was shown to place on a leading standing on a national plane was concerns the improvement of sheep breeds and the creation of new special lines, types and hybrids for wool, meat and milk production.

FEC VICE PRESIDENT'S VISIT TO HUNGARY REPORTED

LD301254 Belgrade TANJUG Domestic Serivce in Serbo-Croatian 1106 GMT 30 Jul 87

[Text] Budapest, 30 Jul (TANJUG) -- During his brief visit to the Hungarian People's Republic on 29-30 July, FEC Vice President Janez Zemljaric had a meeting with Jozsef Marjai, deputy chairman of the Council of Ministers. The talks conducted on this occasion covered bilateral, and, primarily, economic relations between the two countries. Zemljaric was also received by Karoly Grosz, chairman of the Council of Ministers, and by Gyorgy Lazar, MSZMP deputy general secretary.

INDIA'S GANDHI TO VISIT 'END OF AUGUST'

LD301105 Belgrade TANJUG Domestic Service in Serbo-Croatian 1037 GMT 30 Jul 87

[Text] Belgrade, 30 Jul (TANJUG) -- At the invitation of the SRFY Presidency and FEC President Branko Mikulic, Indian Prime Minister Rajiv Gandhi will pay an official visit to Yugoslavia at the end of August this year.

MIKULIC SAYS FEC NOT TO SUBMIT RESIGNATION

LD301847 Belgrade TANJUG in English 1745 GMT 30 Jul 87

[Text] Belgrade, July 30 (TANJUG) -- As long as the Yugoslav Government believes the [word indistinct] be overcome, and of this it is convinced, it will not submit its resignation, said Premier Branko Mikulic today at a session of the Presidency of the Yugoslav Socialist Alliance -- the largest social-political organization in the country.

Prior to this statement, Mikulic admitted that to date efforts to check inflation, which reached three digits this year, had not been successful.

Mikulic called for constructive and argumented criticism of shortcomings, but criticism such as would stimulate a speedy recovery from the crisis and not create mistrust in certain system institutions and individuals in those institutions.

Yugoslavia finds it difficult to free itself from the illusion of a life of abundance, thanks to foreign debts, and from spending unearned income as is the case at present, the Yugoslav premier declared. In this context, he cautioned that the task of bringing all forms of spending down to the limits of the available income and the strengthening of financial discipline was of the utmost importance. He also called for a monetary-credit policy to stimulate production and exports and reduce inflation.

The current three-digit inflation rate, Mikulic said, was also the result of irresponsible actions by a section of the economy which had unjustifiably raised prices.

In order to emerge from the crisis, he observed, the cumbersome state, political and economic machinery must be reduced. The Yugoslav Government is compelled, he said, to propose a further slowdown in the growth of the federation's expenditures, including personal incomes in the organs of the federation and subsidies to social-political organizations.

The majority of participants in today's debate on economic trends in the country agreed that cuts in spendings should start with the federation. They also called for a new, concrete, anti-inflation programme.

Announcing a new anti-inflation programme today, the Yugoslav premier expressed confidence that by the end of the year all economic systematic changes envisaged in the long-term programme of economic stabilization would be completed.

The section of the Yugoslav premier's report dealing with increased production, exports and foreign currency earnings was somewhat more encouraging. The export situation has improved, Mikulic said, pointing out that up to July 26 this year exports increased by 3.9 percent, the increase of exports to the convertible market totalled 15.2, to the developed countries 24.4 and the developing countries 4.7 percent. If exports to the clearing area, for well-known reasons, had not fallen by 18.5 percent, Yugoslavia's total export results would be far better, he said.

The participants in today's debate devoted particular attention to the Yugoslav foreign debt. This is the gravest domestic long-term problem, said Academician Nikola Uzunov in his introductory address. He cautioned that the payment of the debt was a joint commitment with no exceptions or privileges.

The country's external liquidity, he noted, should be ensured by the operation of a foreign currency market, the centralization of foreign currency on the market and not by decisions of state organs. He also called for special political and economic measures, primarily from the federation that is the Yugoslav Government, consisting of a new anti-inflation programme or a "packet of anti-inflation measures".

FEC QUESTIONED ABOUT FOREIGN, DOMESTIC POLICIES

AUK301607 Belgrade POLITIKA in Serbo-Croatian 24 Jul 87 p 7

[Report on delegates' question time at the session of the Federal Chamber of the SFRY Assembly in Belgrade on 23 July]

[Excerpts] Why does the FEC not observe the constitutional provision that the foundations of our foreign policy are set by the Federal Chamber of the SFRY Assembly and that the FEC as well as the SFRY Presidency can only propose a foreign policy? This question was raised yesterday by Delegate Janez Lukac, who expressed his dissatisfaction with the answer to his previous question regarding Yugoslavia's relations with Israel and South Korea. Lukac also asked why the FEC did not provide the Federal Chamber with an explanation instead of informing the Chamber that it had taken this kind of stance toward these issues on Yugoslavia's behalf, because the FEC did not have the constitutional right to do that.

In presenting an additional question, Delegate Lukac said that he had obtained new information which shows a change in comparison with the views held in the 1970's, which the FEC invoked in its answer.

There are already 24 nonaligned countries which have relations with Israel, and some Arab countries -- such as Egypt and Tunisia -- and India have started to work more intensively toward consular relations, Lukac said.

Moratorium on Nuclear Power Plants [subheads]

Zlatko Grabar also asked a question and said that the delegates are already accustomed to not receiving precise answers regarding nuclear power plants. He suggested that a request be sent to the SFRY Presidency to give its clear view on the moratorium on building nuclear plants.

When will the Constitutional Court adopt a stand on a request received about 6 months ago regarding the examination of the legal basis for setting a moratorium on the building of nuclear power plants and holding a referendum on this matter?

He also asked the FEC whether the building of another nuclear power plant, in addition to the one near Krsko, has been started. [passage omitted]

Citing the complimentary remarks Austrian Foreign Minister Mock has made about Yugoslavia's attitudes toward the Waldheim case, Viktorija Potocnik asked two questions: What is the official view of the Federal Secretariat for Foreign Affairs about the actions of certain countries (the case of United States) to bar Waldheim, who was on the war criminals list in our country, from entering the country? And, will Yugoslavia take part in an international group of historians who are examining Waldheim's past, and who will be our representative? In other words, do we agree with this kind of inquiry or clarification of historic events?

Having asked the FEC and its organs to examine how successful the application of the law regarding military recruiting was, Terezija Taradi suggested that her question be taken as an initiative for amending Article 24, Point 2 of the Military Conscription Law in the sense that recruits who have finished secondary school and have enrolled in a university or some other higher schools are not called up until they complete their university course, or until they reach a certain age.

In support of her initiative, Terezija Taradi said that it was the view of the people from where she comes, that 18-year-old recruits are too young for the army. She also drew attention to reactions to accidents and even fatal accidents involving soldiers. [passage omitted]

Since nobody has so far guaranteed the timely provision of foreign currency for purchasing medicine and medical materials, Mirjana Kuljic-Saranovic asked whether anybody can at least guarantee foreign currency for purchasing essential medicines. Otherwise, considering the sluggishness with which the problem is being handled, the shortage of medicine will last for some time.

At the end Omer Kurpejevic, president of the Chamber, asked the members of the FEC to prepare answers to all questions by the end of today's session of the Federal Chamber.

Responses to Delegates' Questions

AU301611 Belgrade POLITIKA in Serbo-Croatian 25 Jul 87 p 6

[D. Ivanovic, B. Kaljevic, and D. Bujosevic report: "Certain Amount of Foreign Exchange Provided for Medicine"]

[Excerpts] The Federal Secretariat for National Defense continually, and in a planned and organized manner, follows the implementation of the Law on Recruitment and its effects on youth, schooling, and the Yugoslav People's Army.

This was, among other things, stated in the FEC's answer to Delegate Terezija Taradi's question on whether the FEC had assessed the success of the application on the law on recruiting and performing military service. The answer states that the overall assessment of the system which was set up in 1980 -- a system under which young people are being called up after finishing secondary school -- requires a longer period. [passage omitted]

As far as Mirjana Kuljic-Saranovic's question regarding funds for purchasing medicines is concerned, the FEC said that it was informed yesterday that the National Bank of Yugoslavia will provide $120 million for purchasing medicines and raw materials for producing medicines. [passage omitted]

MONTENEGRO ELECTRICITY PRICES INCREASE 44 PERCENT

LD300505 Belgrade TANJUG Domestic Service in Serbo-Croatian 1534 GMT 29 Jul 87

[Text] Niksic, 29 Jul (TANJUG) -- The workers council of the Montenegro Electric Power Industry today decided to increase the price of electricity by 44.4 percent. The basic price of coal used by the Pljevlja thermo electric power plant from the Borovnica strip mine will also be increased by the same percentage. This decision will come in force from 1 August this year.

This was stated today by Dimitrije Jankovic, member of the management board of the Montenegro Electric Power Industry, in talks with journalists.

MILOSEVIC, KUCAN VISIT PEC PATRIARCHATE

AU291051 Belgrade POLITIKA in Serbo-Croatian 25 Jul 87 p 14

[D. Maric report: Milosevic and Kucan Visit Pec Patriarchate and Monastery Decani"]

[Text] Pec, 24 Jul -- Before attending the province's central celebration in Pec, Slobodan Milosevic, president of the Serbian LC Central Committee Presidium, and Milan Kucan, president of the Slovene LC Central Committee Presidium, and their associates visited this afternoon Pec Patriarchate, the residence of Serbian archbishops and patriarch, and center of Serbian medieval art. The visitors were met at the entrance to the patriarchate by archimandrite Desimir, spiritual leader of Pec Patriarchate, who took the guests around the monastery and informed them about the cultural and historic treasure of this treasury of our culture.

The guests were then received by abbess Fevronija, custodian of the monastery, who informed the visitors about the recent history of the monastery, the consequences of the great fire of 1981, and about the community efforts to, together with church authorities, successfully deal with the consequences of that most tragic accident in the almost 7 centuries-old history of Pec Patriarchate.

Milosevic and Kucan then paid a visit to the monastery of Visoki Decani.